

## **MODULE – III**

### **HUMAN RESOURCES PLANNING**

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#### **Understanding Human Resource Planning**

Human resource planning allows companies to plan ahead so they can maintain a steady supply of skilled employees. That's why it is also referred to as workforce planning. The process is used to help companies evaluate their needs and to plan ahead to meet those needs.

#### **What Is Human Resource Planning (HRP)?**

Human resource planning (HRP) is the continuous process of systematic planning ahead to achieve optimum use of an organization's most valuable asset—quality employees. Human resources planning ensure the best fit between employees and jobs while avoiding manpower shortages or surpluses.

- Human resource planning (HRP) is a strategy used by a company to maintain a steady stream of skilled employees while avoiding employee shortages or surpluses.
- Having a good HRP strategy in place can mean productivity and profitability for a company.
- There are four general steps in the HRP process: identifying the current supply of employees, determining the future of the workforce, balancing between labor supply and demand, and developing plans that support the company's goals.

Human resource planning needs to be flexible enough to meet short-term staffing challenges while adapting to changing conditions in the business environment over the longer term. HRP starts by assessing and auditing the current capacity of human resources.

#### **Need for HRP**

1. Despite growing unemployment, there has been shortage of human resources with required skills, qualification and capabilities to carry on works. Hence the need for human resource planning.
2. Large numbers of employees, who retire, die, leave organisations, or become incapacitated because of physical or mental ailments, need to be replaced by the new employees. Human resource planning ensures smooth supply of workers without interruption.
3. Human resource planning is also essential in the face of marked rise in workforce turnover which is unavoidable and even beneficial. Voluntary quits, discharges, marriages, promotions and seasonal

fluctuations in business are the examples of factors leading to workforce turnover in organisations. These cause constant ebb and flow in the work force in many organisations.

4. Technological changes and globalisation usher in change in the method of products and distribution of production and services and in management techniques. These changes may also require a change in the skills of employees, as well as change in the number of employees required. It is human resource planning that enables organisations to cope with such changes.
5. Human resource planning is also needed in order to meet the needs of expansion and diversification programmes of an organisation.
6. The need for human resource planning is also felt in order to identify areas of surplus personnel or areas in which there is shortage of personnel. Then, in case of surplus personnel, it can be redeployed in other areas of organisation. Conversely, in case of shortage of personnel, it can be made good by downsizing the work force.

### **Important of HRP**

Human resource planning is important to organisation because it benefits the organisation in several ways.

- Human resource planning meets the organisation need for right type of people in right number at right times.
- By maintaining a balance between demand for and supply of human resources, human resource planning makes optimum use of human resources, on the one hand, and reduces labour cost substantially, on the other.
- Careful consideration of likely future events, through human resource planning might lead to the discovery of better means for managing human resources. Thus, foreseeable pitfalls might be avoided.
- Manpower shortfalls and surpluses may be avoided, to a large extent.
- Human resource planning helps the organisation create and develop training and succession planning for employees and managers. Thus, it provides enough lead time for internal succession of employees to higher positions through promotions.
- It also provides multiple gains to the employees by way of promotions, increase in emoluments and other perquisites and fringe benefits.
- Some of the problems of managing change may be foreseen and their consequences mitigated. Consultations with affected groups and individuals can take place at an early stage in the change process. This may avoid resistance for change.

- Human resource planning compels management to assess critically the strength and weaknesses of its employees and personnel policies on continuous basis and, in turn, take corrective measures to improve the situation.
- Through human resource planning, duplication of efforts and conflict among efforts can be avoided, on the one hand, and coordination of worker's efforts can be improved, on the other.
- Last but not means the least, with increase in skill, knowledge, potentialities, productivity and job satisfaction, organisation becomes the main beneficiary. Organisation is benefitted in terms of increase in prosperity/production, growth, development, profit and, thus, an edge over its competitors in the market.

### **Objectives of Human Resource Planning**

The objective of human resource planning is to ensure the best fit between employees and jobs, while avoiding manpower shortages or surpluses. Human resource planning is a sub-system of the total organizational planning. It constitutes an integral part of corporate plan and serves the very purpose of organization in many ways. The primary purpose of human resource planning is to prepare for the future by reducing organizational uncertainty in relation to the acquisition, placement, and development of employees. Human resources planning is done to achieve the optimum use of human resources and to have the right types and correct number of employees to meet organizational goals.

#### **The main objectives of Human Resource Planning are:**

- ❖ **Achieve Goal:** Human Resource Planning helps in achieving individual, Organizational & National goals. Since Human resource planning is linked with career planning, it can able to achieve individual goal while achieving organisational and national goal.
- ❖ **Estimates future organizational structure and Manpower Requirements:** Human Resource Planning is related with number of Personnel required for the future, job-family, age distribution of employees, qualification & desired experience, salary range etc and thereby determines future organisation structure.
- ❖ **Human Resource Audit:** Human resource planning process is comprised of estimating the future needs and determining the present supply of Manpower Resources. Manpower supply analysis is done through skills inventory. This helps in preventing over staffing as well as under-staffing.
- ❖ **Job Analysis:** The process of studying and collecting information relating to operations and responsibilities of a specific job is called Job analysis. Job analysis is comprised of job description and job specification. Job description describes the duties and responsibilities of a particular job in an

organized factual way. Job specification specifies minimum acceptable human qualities necessary to perform a particular job properly.

### **Problems with Human Resource Planning**

- **Resistance by Employers:** Many employers resist Human Resource Planning as they think that it increases the cost of manpower for the management. Further, employers feel that Human Resource Planning is not necessary as candidates will be available as and when required in the country due to the growing unemployment situation.
- **Resistance by Employees:** Employees resist Human Resource Planning as it increases the workload on the employees and prepares programmes for securing human resources mostly from outside.
- **Inadequacies in quality of information:** Reliable information about the economy, other industries, labor markets, trends in human resources etc are not easily available. This leads to problems while planning for human resources in the organisation.
- **Uncertainties:** Uncertainties are quite common in human resource practices in India due to absenteeism, seasonal unemployment, labor turnover etc. Further, the uncertainties in the industrial scenario like technological changes and marketing conditions also cause imperfection in Human Resource Planning. It is the uncertainties that make Human Resource Planning less reliable.
- **Time and expense:** Human Resource Planning is a time-consuming and expensive exercise. A good deal of time and cost are involved in data collection and forecasting.

### **Challenges of Human Resource Planning**

The challenges to HRP include forces that are always changing, such as employees getting sick, getting promoted or going on vacation. HRP ensures there is the best fit between workers and jobs, avoiding shortages and surpluses in the employee pool.

To satisfy their objectives, HR managers have to make plans to do the following:

- Find and attract skilled employees.
- Select, train, and reward the best candidates.
- Cope with absences and deal with conflicts.
- Promote employees or let some of them go.

## Factors Affecting Human Resource Planning

There are various factors affecting Human Resource Planning. Human resource Planning is the process of planning the human resource in the organisation. HRP is forecasting the future human resource requirement in the organisation and planning accordingly. Hence in this process there are various factors which affect the Human Resource Planning. Let us discuss about the factors affecting human resource planning.



### 1. **Organizational Growth**

**Cycle and Planning:** Each organisation will be in a certain place in the organisation life cycle. The organisation growth cycle consist of 5 stages namely Existence, survival, maturity, renewal and decline. The success of HRP is also depending on the stage of growth cycle in which the organisation presently prevails. Hence the Human resource department must understand and consider the growth cycle stage of the organisation which is planning the Human resource planning process.

2. **Environmental uncertainties:** There are certain things which are out of control for the management like labor market, economic development of the nation, natural disasters, government policies etc. These things will also affect the HRP of any organisation.
3. **Outsourcing:** Now a days it is a trend that many organisation outsource many things to reduce either cost or time or efforts or all together. Few things that are outsourced popularly are security, canteen, office assistance, system supporters, Maintenance employees etc. When the HRP is done many a times there may be fewer clues about the future outsourcing strategy of the organisation. Hence this will also affect the HRP.
4. **Nature of Jobs being filled:** The success of HRP is also depending on the nature of the jobs being filled. The demand and supply, alternative employees and turnover ratio varies from job to job. The time taken to fill each post is also different. All these also matters a lot and so affect the human resource planning.
5. **Type & Quality of Forecasting Information:** As discussed in the beginning HRP is based on the future forecasting of human requirement of the organisation. The data used to estimate the man power

requirement is obtained in various ways. The type of data used and method used to collect such data decides the quality and reliability of the information collected.

It is also to be noted that the type of data and collection method must be decided on the basis of the nature of job to be filled, organisation life cycle, previous experiences etc. This is one of the important factors which will have direct impact on HRP.

6. **Time Horizons:** Time horizon includes many things like for how many years you are forecasting, HRP is planned for how many years, how many years data you are using hoe prior you are estimating the Human resource requirement etc. Hence the organisation must go for a perfect time span which should not be so lengthy or too short. Data should not be very old. You should not plan very prior or too late. Much focus must be given to time horizons as it is one of the deciding factor.
7. **Type & Strategy of organization:** Many a times the organisation needs to consider a change in the strategy depending upon the market, products, competitor, government policy etc. The type and strategy of organisation will also affect the HRP in certain cases. Hence HR department must consider all possibilities before going for man power planning



### What is Recruitment?

Recruitment is the process in which people are offered selection in an organization. It is when prospective employees are searched for and are then encouraged to apply for jobs within the organization.

This is just one step in the process of employment however it is a long process that involves a series of tasks, starting with an analysis of the job requirements and ending with the appointment of the employee. Specific tasks involved in the process of **recruitment** include:

- Analyzing job requirements
- Advertising the vacancy
- Attracting candidates to apply for the job
- Managing response
- Scrutinizing applications

- Shortlisting candidates

Recruitment activities are typically performed by Human Resource practitioners, either internally or externally. Internal recruitment sources are promotion, transfers, retrenched employees, contact or references, ex-employees, retired employees, etc. External recruitment sources are recruitment through advertisement, campus recruitment, recruitment by employee exchanges, recruitment by third parties, internet recruitment, unsolicited applicants, etc.

## **What is Selection?**

Selection is the process of identifying an individual from a pool of job applicants with the requisite qualifications and competencies to fill jobs in the organization. This is an HR process that helps differentiate between qualified and unqualified applicants by applying various techniques.

The term ‘selection’ comes with the connotation of placing the **right person** in the **right job**. Selection is the process in which various strategies are employed to help recruiters decide which applicant is best suited for the job. Some activities include:

- Screening
- Eliminating unsuitable candidates
- Conducting an examination (aptitude test, intelligence test, performance test, personality test, etc.)
- Interviews
- Checking references
- Medical tests

The selection process is a largely time-consuming step in an employee’s hiring experience. HR managers must carefully identify the eligibility of every candidate for the post, being careful not to disregard important factors such as educational qualification, background, age, etc.

## **Recruitment Process**

Recruitment is a process of finding and attracting the potential resources for filling up the vacant positions in an organization. It sources the candidates with the abilities and attitude, which are required for achieving the objectives of an organization.

Recruitment process is a process of identifying the





jobs vacancy, analyzing the job requirements, reviewing applications, screening, shortlisting and selecting the right candidate. To increase the efficiency of hiring, it is recommended that the HR team of an organization follows the five best practices (as shown in the following image). These five practices ensure successful recruitment without any interruptions. In addition, these practices also ensure consistency and compliance in the recruitment process

Recruitment process is the first step in creating a powerful resource base. The process undergoes a systematic procedure starting from sourcing the resources to arranging and conducting interviews and finally selecting the right candidates.

## **1. Recruitment Planning**

Recruitment planning is the first step of the recruitment process, where the vacant positions are analyzed and described. It includes job specifications and its nature, experience, qualifications and skills required for the job, etc.



A structured recruitment plan is mandatory to attract potential candidates from a pool of candidates. The potential candidates should be qualified, experienced with a capability to take the

responsibilities required to achieve the objectives of the organization

### **Identifying Vacancy**

The first and foremost process of recruitment plan is identifying the vacancy. This process begins with receiving the requisition for recruitments from different department of the organization to the HR Department, which contains –

- Number of posts to be filled
- Number of positions
- Duties and responsibilities to be performed
- Qualification and experience required

When a vacancy is identified, it the responsibility of the sourcing manager to ascertain whether the position is required or not, permanent or temporary, full-time or part-time, etc. These parameters should be evaluated before commencing recruitment. Proper identifying, planning and evaluating leads to hiring of the right resource for the team and the organization.



## Job Analysis

Job analysis is a process of identifying, analyzing, and determining the duties, responsibilities, skills, abilities, and work environment of a specific job. These factors help in identifying what a job demands and what an employee must possess in performing a job productively.

Job analysis helps in understanding what tasks are important and how to perform them. Its purpose is to establish and document the **job relatedness** of employment procedures such as selection, training, compensation, and performance appraisal.

The following steps are important in analyzing a job –

- Recording and collecting job information
- Accuracy in checking the job information
- Generating job description based on the information
- Determining the skills, knowledge and skills, which are required for the job

The immediate products of job analysis are **job descriptions** and **job specifications**.

## Job Description

Job description is an important document, which is descriptive in nature and contains the final statement of the job analysis. This description is very important for a successful recruitment process.

Job description provides information about the scope of job roles, responsibilities and the positioning of the job in the organization. And this data gives the employer and the organization a clear idea of what an employee must do to meet the requirement of his job responsibilities.

Job description is generated for fulfilling the following processes –

- Classification and ranking of jobs
- Placing and orientation of new resources
- Promotions and transfers
- Describing the career path
- Future development of work standards

A job description provides information on the following elements –

- Job Title / Job Identification / Organization Position
- Job Location
- Summary of Job
- Job Duties
- Machines, Materials and Equipment

- Process of Supervision
- Working Conditions
- Health Hazards

## **Job Specification**

Job specification focuses on the specifications of the candidate, whom the HR team is going to hire. The first step in job specification is preparing the list of all jobs in the organization and its locations. The second step is to generate the information of each job.

This information about each job in an organization is as follows –

- Physical specifications
- Mental specifications
- Physical features
- Emotional specifications
- Behavioral specifications

A job specification document provides information on the following elements –

- Qualification
- Experiences
- Training and development
- Skills requirements
- Work responsibilities
- Emotional characteristics
- Planning of career

## **Job Evaluation**

Job evaluation is a comparative process of analyzing, assessing, and determining the relative value/worth of a job in relation to the other jobs in an organization.

The main objective of job evaluation is to analyze and determine which job commands how much pay. There are several methods such as **job grading**, **job classifications**, **job ranking**, etc., which are involved in job evaluation. Job evaluation forms the basis for salary and wage negotiations.

## **2. Recruitment Strategy**

Recruitment strategy is the second step of the recruitment process, where a strategy is prepared for hiring the resources. After completing the preparation of job descriptions and job specifications, the next step is to decide which strategy to adopt for recruiting the potential candidates for the organization.

While preparing a recruitment strategy, the HR team considers the following points –

- Make or buy employees
- Types of recruitment
- Geographical area
- Recruitment sources

The development of a recruitment strategy is a long process, but having a right strategy is mandatory to attract the right candidates. The steps involved in developing a recruitment strategy include –

- Setting up a board team
- Analyzing HR strategy
- Collection of available data
- Analyzing the collected data
- Setting the recruitment strategy

## **3. Searching the Right Candidates**

Searching is the process of recruitment where the resources are sourced depending upon the requirement of the job. After the recruitment strategy is done, the searching of candidates will be initialized. This process consists of two steps –

- **Source activation** – Once the line manager verifies and permits the existence of the vacancy, the search for candidates starts.
- **Selling** – Here, the organization selects the media through which the communication of vacancies reaches the prospective candidates.



Searching involves attracting the job seekers to the vacancies. The sources are broadly divided into two categories: **Internal Sources** and **External Sources**.

### **Internal Sources**

Internal sources of recruitment refer to hiring employees within the organization through –

- Promotions

- Transfers
- Former Employees
- Internal Advertisements (Job Posting)
- Employee Referrals
- Previous Applicants

## **External Sources**

External sources of recruitment refer to hiring employees outside the organization through –

- Direct Recruitment
- Employment Exchanges
- Employment Agencies
- Advertisements
- Professional Associations
- Campus Recruitment
- Word of Mouth

### **4. Screening / Shortlisting**

Screening starts after completion of the process of sourcing the candidates. Screening is the process of filtering the applications of the candidates for further selection process.

Screening is an integral part of recruitment process that helps in removing unqualified or irrelevant candidates, which were received through sourcing. The screening process of recruitment consists of three steps –

### **Reviewing of Resumes and Cover Letters**

Reviewing is the first step of screening candidates. In this process, the resumes of the candidates are reviewed and checked for the candidates' education, work experience, and overall background matching the requirement of the job

While reviewing the resumes, an HR executive must keep the following points in mind, to ensure better screening of the potential candidates –

- Reason for change of job
- Longevity with each organization
- Long gaps in employment
- Job-hopping
- Lack of career progression

### **Conducting Telephonic or Video Interview**

Conducting telephonic or video interviews is the second step of screening candidates. In this process, after the resumes are screened, the candidates are contacted through phone or video by the hiring manager. This screening process has two outcomes –

- It helps in verifying the candidates, whether they are active and available.
- It also helps in giving a quick insight about the candidate's attitude, ability to answer interview questions, and communication skills.

### **Identifying the top candidates**

Identifying the top candidates is the final step of screening the resumes/candidates. In this process, the cream/top layer of resumes are shortlisted, which makes it easy for the hiring manager to take a decision. This process has the following three outcomes –

- Shortlisting 5 to 10 resumes for review by the hiring managers
- Providing insights and recommendations to the hiring manager
- Helps the hiring managers to take a decision in hiring the right candidate

## **5. Evaluation and Control**

Evaluation and control is the last stage in the process of recruitment. In this process, the effectiveness and the validity of the process and methods are assessed. Recruitment is a costly process, hence it is important that the performance of the recruitment process is thoroughly evaluated.

The costs incurred in the recruitment process are to be evaluated and controlled effectively. These include the following –

- Salaries to the Recruiters
- Advertisements cost and other costs incurred in recruitment methods, i.e., agency fees.
- Administrative expenses and Recruitment overheads
- Overtime and Outstanding costs, while the vacancies remain unfilled
- Cost incurred in recruiting suitable candidates for the final selection process
- Time spent by the Management and the Professionals in preparing job description, job specifications, and conducting interviews.

## **Placement**

According to Pigors and Myers, “Placement may be defined as the determination of the job to which a selected candidate is to be assigned, and his assignment to the job.” It is matching of what the supervisor has reason to think he can do, with the job requirements (job demands); it is matching of what he imposes (in strain, working conditions) and what he offers in the form of payroll, with other promotional possibilities etc.

### **Significance/Importance of Placement:**

It is important for both the organisation as well as staff that each employee should be placed on a suitable job. While doing so, the factor to be considered is not only the suitability of the job to the individual. But, initial placement is always a problem because there is little knowledge about the new employee.

Therefore, placement should be done after due considerations of the demands of the job, as well as the social, psychological needs of the individual. An enterprise which has spent a lot of time and money in making a very careful selection may lose due to wrong placement.

### **Right placement of workers can have the following advantages:**

1. Reduced labour turnover rate.
2. Reduced absenteeism rate.
3. Increased safety of workers and lower accidents.
4. Increased morale of workers.
5. Better human relations in the organisations.

Placement is not an easy process. It is very difficult to adjust for a new employee who is quite unknown to the job and the environment. For this reason, the employee is generally put on a probation period ranging from one year to two years.

At the end of this probation period, if the employee shows good performance, he is confirmed as a regular employee of the organisation. Thus the probation period or trial period is the transition period at the end of which management takes a decision whether to make the employee regular or discharge him from the job.

### **Placement of New Employees:**

Placement decisions are generally taken by line executives. It is the supervisor who in consultation with higher levels decides the placement of each employee. The personnel department's role is to advise the line managers about the human resource policies of the company and to provide counselling to the employees.

### **While taking the placement decision, the following consideration or principles must be kept in mind:**

### **1. Job Requirements:**

An employee should be placed on the job according to the requirements of the job such as physical and mental ability, eyesight, hearing, stress etc. The job shouldn't be adjusted according to the qualification and abilities of the employees.

Job placement profile charts can be used to match the worker's physical and mental abilities with the job requirements. This profile chart displays an evaluation of both job requirements and worker abilities for key features of the job so that the management can easily determine how well worker fits a job.

### **2. Suitable Qualifications:**

The job should be offered to only that person who is suitably qualified. Over qualified and under qualified persons might create problems for the organisation in the long run.

### **3. Adequate Information to the Job Incumbent:**

The employee should be provided with the complete information and facts relating to the job, including the working conditions prevailing in the firm. He should also be made known to the rewards associated with the performance levels.

### **4. Commitment and Loyalty:**

While placing the new employee, an effort should be made to develop a sense of commitment, loyalty and cooperation in his mind so that he may realise his responsibilities better towards the job, the organisation and his associates.

### **5. Flexibility:**

The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do better justice.

Proper placement helps to improve employee morale. The capacity of the employee can be utilised fully if he is placed on the job for which he is most suitable. Right placement also helps to reduce labour turnover, absenteeism and accident rates. If a candidate adjusts himself to the job and continues to perform as per expectation, it might mean that the candidate is properly placed.



## **Induction**

According to Edwin B.Flipppo, “Induction is concerned with introducing or orienting a new employee to the organisation. It is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organisation”. It is the first step in a proper communication policy which seeks to build a two-way channel of information between the management and employees.

The new employee, on his joining the organisation, must be helped to get adjusted and acquainted with the fellow employees and the work environment. Rather than leaving him to make his own way through the organisation. It is much better to properly and systematically introduce him to the company, its philosophy, its place in the industry or economy, its major policies etc.

This phase of induction is properly handled by the personnel department. Some large organisations show pictures telling about their history and operation to give a better idea of the company to the new employees who have joined. The new employee is also given the necessary information about canteen, lunch period; rest hours, convenience facilities etc.

A complete induction programme also consists of a follow-up after few weeks to ascertain how well the new employee has adjusted himself with his job and environment. This provides an opportunity to clarify or remove any misunderstanding in him.

But then also, if an employee is not found adjusted after that, it may be the case of wrong selection or wrong placement. It thus, gives an early warning of a later trouble. In any case, the follow-up interview enhances the employee’s satisfaction by demonstrating to him the company’s interest in his welfare.

### **Contents of Induction Programme:**

Topics to be covered in induction –

1. Company’s history, mission, vision and philosophy.
2. Products and services of the company.
3. Company’s organisation structure.
4. Location of departments and employee services.
6. Employees activities like clubs, credit society.
7. Personnel policies and procedures.
8. Standing orders.
9. Rules and Regulations.
10. Terms and conditions of services.
11. Grievance procedures.
12. Safety measures.

13. Benefits and services for employees.
14. Training, promotions and transfer facility.
15. Career advancement schemes.
16. Counseling facility.

### **Induction Procedure/Techniques:**

Induction may be informal in case of small firms and formal may be of duration of two or three weeks in case of large organizations. Induction training should not be too lengthy. It need not necessarily be given on the day when the new employee joins the work, but if a formal course is to be attended after two or three weeks on the job, the initial introduction and the immediately needed information may be given by the superior of the department.

### **Orientation procedure consists of the following steps:**

- The new employee should be given a definite time and place to report.
- The immediate boss or the supervisor should meet and welcome the new employee to the organization when the latter reports for the duty.
- Complete information about the vacations, probationary period, working hours, medical leave, suggestion styles etc. should be conveyed to the employee.
- Departmental orientation should be conducted which include introduction to the department, explanation of the functions of the department, job instructions and to whom he should look for help and guidance when he has any problem.
- Verbal explanations may also include a wide variety of printed materials, employee handbook, employee manuals, house journals pamphlets etc.
- The induction programme should be handled by the persons who are through with the course contents. The success of the induction course also depends upon the quality of the trainers and their ability to draw out the interest of their listeners.

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