

## A Review on Human Resource Planning

Deepika Phutela (B.Ed, M.B.A, UGC-NET)

Assistant Professor-MBA, Tanta University, Sri Ganganagar

### Abstract:

The planning processes of most best practice organizations not only define what will be accomplished within a given time-frame, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.). The human resources department is a critical component for employees in any business, regardless of its size. This support system is responsible for everything from payroll to hiring a new employee. Human resource planning is an extended part of this system, and is used to ultimately structure and meet organizational goals. While a traditional human resource role serves as an administrative control function, human resource planning develops strategies for matching the skills and size of the workforce to organizational needs. In other words, the planning system specifically recruits, trains and restructures the staff/personnel needed to meet business objectives and any changes within the external environment. Three main responsibilities are important to complete in order to prepare for the planning process. These responsibilities include forecasting the demand for labor, performing a supply analysis, and balancing supply and demand considerations.

*Keywords* — **HRP, Strategies, Workforce, Manager, Forecasting, Scanning.**

### INTRODUCTION:

Human resource is the most important asset of an organization. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons. The enterprise will estimate its manpower requirements and then find out the sources from which the needs will be met. If required manpower is not available then the work will suffer. Developing countries are suffering from the shortage of trained managers. Job opportunities are available in these countries but properly trained personnel are not available. These countries try to import trained skill from other countries. In order to cope human resource requirements, an enterprise will have to plan in advance its needs and the sources. The

terms human resource planning and manpower planning are generally used interchangeably. Human resource planning is not a substitute for manpower planning. Rather the latter is a part of the former i.e., manpower planning is integrated with human resource planning.

### Definition Human Resource Planning:

Important definitions of human resource planning are discussed here to understand the concept in right perspective: According to E.W. Vetter, human resource planning is “the process by which a management determines how an organization should make from its current manpower position to its desired manpower position.

Through planning a management strives to have the right number and the right kind of

people at the right places, at the right time to do things which result in both the organization and the individual receiving the maximum long range benefit.”

**Dale S. Beach** has defined it as “a process of determining and assuring that the organization will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.”

In the words of **Leon C. Megginson**, human resource planning is “an integration approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual’s needs and goals of organisational members.”

On the analysis of above definitions, human resource planning may be viewed as foreseeing the human resource requirements of an organization and the future supply of human resources and making necessary adjustments between these two and organization plans, and foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management.

#### **Strategic HRP:**

The overall purpose of strategic HR planning is to:

- Ensure adequate human resources to meet the strategic goals and operational plans of your organization - the right people with the right skills at the right time

- Keep up with social, economic, legislative and technological trends that impact on human resources in your area and in the sector
- Remain flexible so that your organization can manage change if the future is different than anticipated

Strategic HR planning predicts the future HR management needs of the organization after analyzing the organization's current human resources, the external labor market and the future HR environment that the organization will be operating in. The analysis of HR management issues external to the organization and developing scenarios about the future are what distinguishes strategic planning from operational planning.

#### **Features of Human Resource Planning:**

From the study of various definitions, the following features of human resource planning can be derived:

**1. Well Defined Objectives:** Enterprise’s objectives and goals in its strategic planning and operating planning may form the objectives of human resource planning. Human resource needs are planned on the basis of company’s goals. Besides, human resource planning has its own objectives like developing human resources, updating technical expertise, career planning of individual executives and people, ensuring better commitment of people and so on.

## **2. Determining Human Resource Needs:**

Human resource plan must incorporate the human resource needs of the enterprise. The thinking will have to be done in advance so that the persons are available at a time when they are required. For this purpose, an enterprise will have to undertake recruiting, selecting and training process also.

**3. Keeping Manpower Inventory:** It includes the inventory of present manpower in the organization. The executive should know the persons who will be available to him for undertaking higher responsibilities in the near future.

## **4. Adjusting Demand and Supply:**

Manpower needs have to be planned well in advance as suitable persons are available in future. If sufficient persons will not be available in future then efforts should be made to start recruitment process well in advance. The demand and supply of personnel should be planned in advance.

## **5. Creating Proper Work Environment:**

Besides estimating and employing personnel, human resource planning also ensures that working conditions are created. Employees should like to work in the organization and they should get proper job satisfaction.

## **Human Resource Planning Process or Steps of HR Planning**

Human resource planning is a process through which the company anticipates future business and environmental forces. Human resources planning assess the manpower requirement for future period of time. It attempts to provide sufficient

manpower required to perform organizational activities. HR planning is a continuous process which starts with identification of HR objectives, move through analysis of manpower resources and ends at appraisal of HR planning. Following are the major steps involved in human resource planning:

### **1. Assessing Human Resources**

The assessment of HR begins with environmental analysis, under which the external (PEST) and internal (objectives, resources and structure) are analyzed to assess the currently available HR inventory level. After the analysis of external and internal forces of the organization, it will be easier for HR manager to find out the internal strengths as well as weakness of the organization in one hand and opportunities and threats on the other. Moreover, it includes an inventory of the workers and skills already available within the organization and a comprehensive job analysis.

### **2. Demand Forecasting**

HR forecasting is the process of estimating demand for and supply of HR in an organization. Demand forecasting is a process of determining future needs for HR in terms of quantity and quality. It is done to meet the future personnel requirements of the organization to achieve the desired level of output. Future human resource need can be estimated with the help of the organization's current human resource situation and analysis of organizational plans and procedures. It will be necessary to perform a year-by-year analysis for every significant level and type.

### **3. Supply Forecasting**

Supply is another side of human resource assessment. It is concerned with the estimation of supply of manpower given the analysis of current resource and future availability of human resource in the organization. It estimates the future sources of HR that are likely to be available from within an outside the organization. Internal source includes promotion, transfer, job enlargement and enrichment, whereas external source includes recruitment of fresh candidates who are capable of performing well in the organization.

#### **4. Matching Demand and Supply**

It is another step of human resource planning. It is concerned with bringing the forecast of future demand and supply of HR. The matching process refers to bring demand and supply in an equilibrium position so that shortages and over staffing position will be solved. In case of shortages an organization has to hire more required number of employees. Conversely, in the case of over staffing it has to reduce the level of existing employment. Hence, it is concluded that this matching process gives knowledge about requirements and sources of HR.

#### **5. Action Plan**

It is the last phase of human resource planning which is concerned with surplus and shortages of human resource. Under it, the HR plan is executed through the designation of different HR activities. The major activities which are required to execute the HR plan are recruitment, selection, placement, training and development, socialization etc. Finally, this step is followed by control and evaluation of performance of HR to check whether the HR planning matches the HR objectives and policies. This action plan should be updated according to change in time and conditions.

#### **The objectives of human resource planning:**

ü Forecasting *Human Resources Requirements:* HRP is essential to determine the future needs of HR in an organization. In the absence of this plan it is very difficult to provide the right kind of people at the right time.

#### **I. Effective Management of Change:**

Proper planning is required to cope with changes in the different aspects which affect the organization. These change needs continuation of allocation/ reallocation and effective utilization of HR in organization.

#### **II. Realizing the Organizational Goals:**

In order to meet the expansion and other organizational activities the organizational HR planning is essential.

#### **III. Promoting Employees:**

HRP gives the feedback in the form of employee data which can be used in decision-making in promotional opportunities to be made available for the organization.

#### **IV. Effective Utilization of HR:**

The data base will provide the useful information in identifying surplus and deficiency in human resources.

#### **NEEDS OF HRP**

#### **Employment-Unemployment**

**Situation:** Though in general the number of educated unemployment is on the rise, there is acute shortage for a variety of skills. This emphasis is the need for more effective recruitment and retaining people.

**Technological Change:** The myriad changes in production technologies,

marketing methods and management techniques have been extensive and rapid. Their effect has been profound on the job contents and job contexts. These changes cause problems relating to redundancies, retaining and redeployment. All these suggest the need to plan manpower needs intensively and systematically.

**Organizational Change:** In the turbulence environment marked by cyclical fluctuations and discontinuities, the nature and pace of changes in organizational environment, activities and structures affect manpower requirements and require strategic considerations.

**Demographic Change:** The changing profile of the work force in terms of age, sex, literacy, technical inputs and social background has implications for HRP.

**Skill Shortage:** Unemployment does not mean that the labor market is a buyer's market. Organizations generally become more complex and require a wide range of specialist skills that are rare and scarce. Problems arise when such employees leave.

**Governmental Influences:** Government control and changes in legislation with regard to affirmative action for disadvantages groups, working conditions and hours of work, restrictions on women and child employment.



Fig: 1. Human Resource Planning Process

## HR Business Model



Fig: 2, Business Model of HRP in Bank of Baroda

The **Strategic HR Business Model** adopted by Bank of Baroda incorporates its **HR Mission and Philosophy** and is focused towards attainment of long-term organizational goals.

A very strong **Organizational Leadership** at different levels forms the key link in the Model. These are;

- Strategic Leadership - Corporate level
- Business Leadership - Zonal & Regional level

- Operational Leadership - Business unit level i.e. branch

The two vital Human Resource sub-systems i.e. HR Planning & Management Sub-System & **Competency Based HRD Sub-System** shape the very crucial **Performance Environment** within the Bank which facilitates development of enabling capabilities of people.

Through proper developmental inputs, **Positive Attitude & Right Mindset** is created among people.

Through proper **Communication Medium** and an **Organizational Culture** of sharing,

openness, collaboration & confrontation, autonomy etc., people in the organization are facilitated to give their best output (performance).

The Model is adequately supported by a suitable **Learning Platform**, which imparts proper **Knowledge** and enhances **Learning** among people (functional, behavioral etc) so that their **Competence** increases and their potential could be properly leveraged for greater **Individual and Organizational Effectiveness**.

These create proper **Employee Motivation**, which ultimately facilitates **Goal Achievement**.

#### **Conclusion:**

In this unit, we discovered the Human Resources Planning is one of the strategies to enhance and improve work performance this it does by removing deficiencies and prevent it from occurring. Human resources planning include analysis of level of skill, current and expected vacancies and also provide plans to take care of the vacancies

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through training, development and recruiting and hiring new people.

The challenging function of Human resources demands matching future organizational requirement with the supply of right kind of staff. This imperatively necessitates that Human Resource to be focused in meeting the requirement of the organization. In the unit we have learnt that Human Resources Planning helps the organization to tap efficiently talents, which will help to integrate both the individual and organizational goal. We also looked at some definitions which include Human resources as the process of assessing an organization's human resources needs in the light of organizational goals and changing condition and making plans to ensure that a competent, stable workforce is employed.

The need for focus in Human Resources Planning was ex-rayed and finally we considered the diagram of the process of Human Resource Planning.

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