

Lesson - 4

MANPOWER PLANNING

4.0 Objective:

After studying this lesson, the student is able to understand:

- * the concept of Manpower Planning
- * objectives of Manpower Planning
- * need and importance of Manpower Planning
- * process of Manpower Planning

Structure:

- 4.1 Introduction
- 4.2 Definition and Characteristics of Manpower Planning
- 4.3 Objectives of Manpower Planning
- 4.4 Need and Importance of Manpower Planning
- 4.5 Reasons for Current Interest
- 4.6 Problems in Manpower Planning
- 4.7 Process of Manpower Planning
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4.1 Introduction:

The successful performance and productivity of an organisation are directly determined by the quantity and quality of its human resources. People must be utilised to the maximum possible extent in order to accomplish individual and organisational objectives. It is the only human resources which appreciate with time if sufficient care is taken to impart skill and knowledge. Planning for manpower resources is the major managerial responsibility, to ensure adequate supply of personnel at the right time both in terms of their quality and aptitude and effective utilisation of the personnel.

Manpower planning provides overall framework for specific development (or) training programmes. Manpower planning is basically a strategy for procurement, development and allocation and utilisation of an organisation's human resources. **A.F. Sikula** point out that the principal aim of manpower planning is in effect to attempt at the "matching (or) fitting employee abilities to enterprise requirements with an emphasis on future instead of present arrangements". Manpower planning on a comprehensive basis assumes greater importance in organisations.

“Manpower Planning” and “human resource” planning are synonymous. Manpower (or) Human Resource Planning acts as a guide to the management of human resource.

4.2 Definition of Manpower Planning:

In order to run any organisation at optimum efficiency, its manpower requirements must be satisfied at all levels by various suitable persons.

B.Geisler defined manpower planning as “Manpower Planning is a process (including forecasting, developing, implementing and controlling) by which a firm ensures that it has the right number of people and the right kind of time for things for which they are economically most useful”.

According to **Dale Yoder**, Manpower Planning is “The process by which a firm ensures that it has the right number of people and the right kind of people, at the right places, and at the right time, doing things in the organisation.

Dale. S. Beach defined manpower planning is a process of determining and assuring that the organisation 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.

Stainer defines Manpower Planning “as a strategy for acquisition, utilisation, improvement and preservation of an enterprise human resources. It relates to establishing job specifications or the qualitative requirements of jobs determining the number of personnel required developing sources of supply of manpower.

Characteristics of Manpower Planning:

An analysis of the above definitions reveal the following characteristics of Manpower Planning.

- (i) Manpower planning like all planning is forward looking or future oriented. Manpower planning estimates future manpower needs.
- (ii) Manpower Planning is an ongoing process relating to peoples requirement in the organisation. It takes into account the demand for and supply of people.
- (iii) Manpower Planning is a part of corporate planning. Without a corporate plan there is no man power plan.
- (iv) Manpower Planning aims at making optimum use of organisation’s present and future human resources.
- (v) Manpower Planning covers both the quantitative and qualitative aspects.
- (vi) Manpower Planning is a systematic approach to human resources.
- (vii) Manpower planning ensure effective utilisation of the human resources of the organisation.
- (viii) Manpower plans relate to long-term or short-term. Long-term plans are prepaid for a period of five or more on the basis of trends in the economy. Short-term manpower plans covers time period ranging from one year to less than five years.

4.3 Objectives of Manpower Planning:

- i) To recruit and retain the people of required quantity and quality.
- ii) To ensure optimum use of human resources currently employed.
- iii) To meet the needs of the programmes of expansion, diversification etc.
- iv) To foresee employee turnover and make arrangements for minimising turnover.
- v) To improve standards, skills, knowledge.
- vi) To forecast the impact of technology on work, existing employees and future human resource recruitment.
- vii) To assess the surplus and shortage of human resources.
- viii) To provide human resources of right kind, right number, in the right time and right place.

4.4 Need & Importance of Manpower Planning:

- i) Every organisation needs personnel with the necessary qualifications, skills, knowledge, work experience and aptitude for work. These are provided through effective manpower planning.
- ii) Manpower planning provides scope for advancement of employees through training, development.
- iii) Manpower plan checks the corporate plan of the organisation.
- iv) It is essential to study the impact of labour turnover in the organisation. Labour turnover refers to the change in the working force during a particular period.
- v) Manpower planning is needed in order to identify areas of surplus personnel (or) areas in which there is shortage of personnel. If there is a surplus it can be redeployed and if there is shortage, it may be made good.

4.5 Reasons for Current Interest:

The reasons for present emphasis on Manpower Planning are:

- i) Changes in production techniques, marketing methods and management techniques have been extensive and rapid. These changes cause problems relating to redundancies, retraining and redeployment. All these suggest the need to have effective manpower planning.
- ii) Acute shortage of a variety of skills emphasises the need for effective manpower planning.
- iii) Cyclical fluctuations, discontinuities are affecting the manpower requirements and require strategic consideration.
- iv) Government control and changes in legislation, have stimulated the organisation to become involved in systematic manpower planning.
- v) Pressure groups such as unions, politicians, persons displaced from land by location of giant enterprises have been raising contradictory pressures on the management.

4.6 Problems in Manpower Planning:

- i) The major problem in manpower planning is in accuracy, since it is difficult to prepare long range

forecasts accurately. Manpower planning depends basically on organisational planning, which is influenced by changes in economic conditions technology, market conditions etc.

- ii) Resistance by employers and employees is another problem relating to manpower planning. Employers think that manpower planning increases the cost of manpower and employees think that manpower planning increases their workload and additional control on them.
- iii) Information system regarding human resources has not yet fully developed in Indian Industries, due to low status given to personnel departments and less importance attached to personnel.
- iv) Manpower planning is a time-consuming and expensive exercise.
- v) In the absence of proper commitment from the side of top management it is very difficult to prepare and implement manpower planning in the organisation.

4.7 Process of Manpower Planning:

Human resource planning process is one of the most crucial complex and continuing managerial functions. It may be rightly regarded as a multi-step process of human resource planning such as:

- (A) Deciding goals or objectives,
- (B) Estimating future organisational structure and manpower requirements,
- (C) Manpower Audit,
- (D) Job Analysis,
- (E) Developing a human resource plan.

(A) Objectives of Human Resource Planning:

Human resource planning fulfils individual, organisational and national goals; but, according to **Sikula**, "the ultimate mission or purpose is to relate future human resources to future enterprise needs so as to maximize the future return on investment in human resources". Manpower planning should be more concerned with filling future vacancies with right kind of people rather than with matching existing personnel with present jobs.

(B) Estimating the Future Organisational Structure of Forecasting the Manpower Requirements:

The management must estimate the structure of the organisation at a given point in time. For this estimate, the number and type of employees needed have to be determined. Many environmental factors affect this determination. They include business forecasts, expansion and growth, design and structural changes, management philosophy, government policy, product and human skills mix, and competition.

Forecasting provides the basic premises on which the manpower planning is built. Forecasting is necessary for various reasons, such as:

- (a) The eventualities and contingencies of general economic business cycles (such as inflation, wages, prices, costs and raw material supplies) have an influence on the short-range and long-run plans of all organisations.
- (b) An expansion following enlargement and growth in business involves the use of additional machinery and personnel, and a re-allocation of facilities, all of which call for advance planning of human resources.
- (c) Changes in management philosophies and leadership styles.
- (d) The use of mechanical technology (such as the introduction of automatic controls, or the mechanisation of materials handling functions) necessitate changes in the skills of workers, as well as change in the number of employees needed.
- (e) Very often, change in the quantity or quality of products or services require a change in the organisation structure. Plans have to be made for this purpose as well.

It may be noted that for purpose of manpower planning, the main dimensions to be taken into consideration are:

- i) The total number of personnel available, this could be obtained from the pay-rolls and other personnel records, such as the applications for employment. The total number has to be classified on some basis, such as manual workers (i.e. daily-rated, weekly-rated or monthly-rated); clerical employees, ministerial staff, managers and other executives, specialists and skilled and unskilled workers, sex-wise distribution etc.
- ii) The job-family, i.e. a detailed job-description for each position such as stenographers who may belong to various departments e.g., finance, marketing, personnel, public relations, general administration etc.
- iii) Age distribution of the employees, available in the present departments, say in the age-groups 20-29 years; 30-45 years; 46 years; & above.
- iv) Qualification and experience desired, such as a person with 5 years 10 years experience in a particular branch/job; & whether under-graduate, post-graduate, or MBAs or graduates in Science, Commerce, Arts, Engineering, or Professional Diploma Holders, etc, or with specialised knowledge in the field of Marketing, Finance, Computer Programming or Engineering Work.
- v) The salary range, etc.

C) Auditing Human Resources:

Once the future human resource needs are estimated, the next step to determine the present supply of manpower resources. This is done through what is called "Skills Inventory". A skills inventory contains data about each employee's skills, abilities, work preferences and other items of information which indicate his overall value to the company.

D) Job Analysis:

Job Analysis is the process of systematically analysing the activities relating to each job. Job analysis is designed to define the duties, responsibilities and accountability of the job. According to **Flippo** 'Job Analysis is the process of studying and collecting information relating to the operation and responsibilities of a specific job'.

Job Analysis Information:

It provides information

- i) Job Identification
- ii) Features of a job
- iii) Nature of work to be done
- iv) Type of materials and equipment necessary to do the work.
- v) Job Relationship

The outcomes of Job Analysis are:

- a) Job Description
- b) Job Specification.

a) Job Description:

A job description is a written statement that explains duties, work conditions and other aspects of a specific job. Job description defines the scope of job activities, major responsibilities and positioning of the job in the organisation. It provides the worker, analyst and supervisor with a clear idea of what worker must do to meet the demands of the job.

Contents of Job Description:

- i) Job title
- ii) Organisational location of the job.
- iii) Supervision given and received.
- iv) Salary level
- v) Conditions of work.
- vi) Training and development facilities.

b) Job Specification:

Job specification refers to the summary of the personnel characteristics required for the job. It describes the type of person required in terms of educational qualifications, experience, aptitudes etc.

Job specifications relate to

- a) Physical characteristics which include health, strength, age, body size, height, weight, vision.
- b) Psychological characteristics which include such qualities as manual dexterity, aptitude, ingenuity, judgement, mental concentration and alertness.
- c) Personnel characteristics such as personnel appearance, good and pleasing manners etc.
- d) Responsibilities which include supervision of others, responsibilities for production, process etc.

E) Developing a Human Resource Plan:

This step refers to the development and implementation of the human resource plan, which consists in finding out the sources of labour supply with a view to making an effective use of these sources. The first thing, therefore, is to decide on the policy-should the personnel be hired from within through promotional channels or should it be obtained from an outside source. The best policy which is followed by most organisations is to fill up higher vacancies by promotion and lower level positions by recruitment from the labour market.

4.8 Summary:

Manpower planning is the process of determining the number and kind of human resources required to achieve the objectives of the organisation. Manpower planning ensures the right man to the right job at the right time at right place. It is needed because of expected changes in technology, environment, management plans etc.

4.9 Key Words:

Manpower Planning : It is a plan relating to requirement of people. Estimating how many employees and what type of employees an organisation require at some time in the future.

Demand Forecast : It is the process of estimation of future resource requirement of employees.

Supply Forecast : It is the process of estimation of the supply of human resources.

4.10 Self- Assessment Questions:

1. Define Manpower Planning? Explain the objectives of Manpower Planning?
2. Account for the increasing interest in Manpower Planning in recent years.
3. Discuss the various benefits and limitations of Manpower Planning?
4. Explain the process of Manpower Planning?

4.11 Reference Books:

Monappa Arun - *Human Resources Management*; Tata Mc Graw Hill.

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