

Chapter 2- Human Resource Planning

2.1 Human Resource Planning

Introduction:

Human resource planning is important for helping both organizations and employees to prepare for the future. The basic goal of human resource planning is to predict the future and based on these predictions, implement programmes to avoid anticipated problems. Very briefly human resource planning is the process of examining an organization's or individual's future human resource needs for instance, what types of skills will be needed for jobs of the future compared to future human resource capabilities (such as the types of skilled employees you already have) and developing human resource policies and practices to address potential problems for example, implementing training programmes to avoid skill deficiencies.

Definition:

According to Beach, "HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which meet the needs of the enterprise and which provides satisfaction for the individuals involved"

It is the process that seeks to ensure that the right number and kinds of people will be at the right places at the right time in future, capable of doing those things that are needed so that the organisation can continue to achieve its goals. Basically, it is a process of forecasting, developing, implementing and controlling.

Concepts and Characteristics of Human Resource planning:

1. Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and development in industry, or in terms of judgemental estimates based upon the specific future plans of a company.
2. Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally.
3. Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively.
4. Planning the necessary programmes of recruitment, selection, training development, utilization, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Need for Human Resource planning

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 emphasizes on the need for more effective recruitment and employee retention.

Technological Change: The 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 have caused problems relating to redundancies, retention and redeployment. All these suggest the need to plan manpower needs intensively and systematically

Skill Shortage: Unemployment does not mean that the labour market is a buyer's market. Organizations generally become more complex and require a wide range of specialist skills that are rare and scarce. A problem arises in an organization when employees with such specialized skills leave.

Governmental Influences: Government control and changes in legislation with regard to affirmative action for disadvantaged groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labour, etc. have stimulated the organizations to become involved in systematic HRP.

Lead Time: The long lead time is necessary in the selection process and training and deployment of the employee to handle new knowledge and skills successfully.

Replacement: Since a large number of persons have to be replaced who have grown old, or who retire, die or become incapacitated because of physical or mental ailments, there is a constant need for replacing such personnel. Otherwise, the work would suffer.

Labour Turnover: Human resource planning is essential because of frequent labour turnover which is unavoidable and even beneficial because it arises from factors which are socially and economically sound such as voluntary quits, discharges, marriage, promotions, or factors such as seasonal and cyclical fluctuations in business which cause, a constant ebb and flow in the workforce in many organisations.

Increase in Demand: In order to meet the needs of expansion programmes human resource planning is unavoidable. It becomes necessary due to increase in the demand for goods and services with growing population, a rising standard of living - larger quantities of the same goods and services are required.

Surplus manpower: Manpower planning is also needed in order to identify areas of surplus personnel or areas in which there is a shortage of personnel. If there is a surplus, it can be deployed, and if there is shortage, it may be made good.

2.2.1 Job Analysis

Job Analysis involves a careful study of each job to find out just what the job includes, what the job holder does, how he does it, under what conditions job is performed, and what specific qualifications the job holder must have. Thus, it is a process of identifying the pertinent facts with respect to the operations and responsibilities of a specific job.

Job analysis is a process of determining which characteristics are necessary for satisfactory job performance and analysing the environmental conditions in which the job is performed. It analyzes the work content of job & job content of work. The process of job analysis leads to development of two documents viz., job description and job specification.

Significance of Job Analysis

Job analysis is a vital tool in taking a variety of human resource decisions. It is used to design and execute a number of human resource management activities and programs. They are described here:

Manpower Planning: job analysis helps in forecasting manpower requirements based on the knowledge and skills and quality of manpower needed in organization.

Recruitment: A carefully designed job analysis provides information as to what sources of recruitment are to be used to hire employees. For example, job analysis in a retail stores about merchandise sorters tells that village level schools are potential source of recruitment.

Selection: Selection of the right candidate to the right job can only be done with the help of job analysis.

Training and Career Development: Job analysis provides valuable information to develop training programs. It provides information about what skills are to be trained. It also provides information about various techniques to be used in career development of employees.

Placement and socialization: After people are selected and trained, they must be placed in suitable jobs. Job analysis provides information about the suitability of jobs. A clear job analysis guides the process to socialize the employees to develop sound relationships with all those person.

Compensation: Job analysis provides information as to how much compensation and other financial and non-financial benefits to be associated with each job.

Employee Safety and Welfare: Job analysis details information on working conditions. Thus, management tries to provide safety and welfare measures that are outlined in job analysis.

Performance Appraisal: Performance of employees is appraised based on standard criteria provided in the job analysis.

Counselling: A good job analysis provides information to the superiors about the jobs. They use this information to guide and counsel employees about their career options, performance, training requirements and skill up-gradation

Components of Job Analysis

1. Job Description: It is an important document. It is descriptive in nature. It is useful to identify a job for consideration by job analyst. Important questions to be answered through job description are:

What should be done?

Why it should be done?

Where it should be done?

Some of the information in most of the job descriptions.

- **Job title:** title of the job and other identifying information such as wages, salaries, other benefits
- **Summary:** summary is written in one or two lines that describes what outputs are expected from job incumbents.
- **Equipment:** a clear statement of tools, equipment and other information required to perform job effectively.
- **Environment:** a clear description of the working conditions of the job, the location and other characteristics of work environment such as hazards, noise, temperature, cleanliness etc.
- **Activities:** a description about the job duties, responsibilities, and expected behaviour on the job.

2. Job Specifications: It also known as man or employee specifications is prepared on the basis of job specification. It specifies the qualities required in a job incumbent for the effective performance of the job. Basic contents of a job specification are as follows:

1. Personal characteristics such as education, job experience, age, sex, and extra co-curricular activities.

2. Physical characteristics such as height, weight, chest, vision, hearing, health, voice poise, and hand and foot coordination, (for specific positions only).

3. Mental characteristics such as general intelligence, memory, judgment, foresight, ability to concentrate, etc.

4. Social and psychological characteristics such as emotional ability, flexibility, manners, drive, conversational ability, interpersonal ability, attitude, values, creativity etc.

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2.2.2 Job Description

1. JD is an important document which is basically descriptive in nature and contains a statement of Job Analysis.
2. It provides both organisational information (location in structure, authority, etc.) and functional (what the work is).
3. It defines the scope of job activities, major responsibilities and positioning of the job in the organisation.
4. It provides the worker, analyst and supervisor a clear idea of what the worker must do to meet the demands of the job.
5. JD is different from performance assessment.
6. JD describes the 'Job' not the 'Job Holder'.

Uses of the Job Description

1. Preliminary drafts can be used as a basis for productive group discussion particularly if the process starts at the executive level.
2. It aids in the development of Job Specification, which are useful in planning, recruitment, in training and in hiring people with required skills.
3. It can be used to orient new employees towards basic responsibilities and duties.
4. It is a basic document used in developing performance standard.
5. It can be used for job evaluation, a wage and salary administration technique.

Content of Job Description

1. Job identification or Organisational Position: It includes the job title, alternative title, department, division, and plant and code number of the job. The job title identifies and designates the job properly.
2. Job summary: It gives the reader a quick capsule explanation of the content of a job usually in one or two sentences. It basically serves two purposes first, it provides a short definition which is useful as additional identification information when an job title is not adequate, second, it serves as a summary to orient the reader towards an understanding of detailed information.
3. Job duties and responsibilities: it gives a comprehensive listing of duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty.

4. **Job Relationship:** this helps to locate the job in the organisation by indicating the job immediately below or above it in the job hierarchy.
5. **Supervision:** Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved – general, intermediate or close supervision.
6. **Machine, Tools and Equipment:** It defines each major type or trade name of the machines and tools and the raw materials used.
7. **Working conditions:** it usually gives us information about the environment in which a job holder must work. These include cold, heat, dust, wetness, moisture, fumes, odour, oily conditions etc. Obtaining inside the organisation.
8. **Hazards:** it gives us the nature of risks to life and limb, their possibilities of occurrence, etc.

2.2.3 Job Specification

The job specification refers the job description and answers the questions.

1. What human traits and experience is needed to do the job well.
2. It tells what kind of person to recruit and for what qualities that person should be tested.
3. Job specification translates the job description in terms of human qualifications which are required for a successful performance of a job.
4. It serves as a guide in hiring and job evaluation.

Job specification is developed with the cooperation of the personnel department and various supervisors in the whole organisation.

The job specifications relate to:

- a. **Physical characteristics:** It includes health strength, endurance, age range, body size, height, weight, vision, voice, hand and foot coordination, motor coordination.
- b. **Psychological characteristics:** These are special aptitudes which include, mechanical aptitude, ingenuity, judgement, resourcefulness, analytical ability, mental concentration and alertness.
- c. **Personal characteristics :** personal appearance, manners, emotional stability, aggressiveness or submissiveness, extroversion or introversion, leadership, cooperativeness, initiative and drive, skill in dealing with others, unusual sensory qualities of sight smell hearing, adaptability, conversational ability etc.

- d. **Responsibilities:** Which include supervision of others, responsibility for production, process and equipment, responsibility for the safety of others, responsibility for generating confidence and trust, responsibility for preventing monetary loss.
- e. Other features of demographic nature, which are age, gender, education, experience and language ability

2.3 Recruitment and Selection

Recruitment is the process of identifying suitable candidates from known sources in the market for a job. Selection is the process of choosing from the candidates identified.

Definition:

According to Edwin B. Flippo, “Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.”

According to Lord, “Recruitment is a form of competition. Just as corporations compete to develop, manufacture, and market the best product or service, so they must also compete to identify, attract and hire the most qualified people. Recruitment is a business, and it is a big business.”

Prerequisites of a Good Recruitment Policy:

The recruitment policy of an organisation must satisfy the following conditions:

- It should be in conformity with its general personnel policies;
- It should be flexible enough to meet the changing needs of an organisation;
- It should be so designed as to ensure employment opportunities for its employees on a long-term basis so that the goals of the organisation should be achievable; and it should develop the potentialities of employees;
 - It should match the qualities of employees with the requirements of the work for which they are employed; and
 - It should highlight the necessity of establishing job analysis.

2.3.1: Sources of recruitment:

Sourcing is the process of identifying qualified human resources from the market. There are two generic sources from where human resources can be procured internal sources and external sources. Internal sources are those within an organization and external sources are those outside the organization.

Internal Sources of recruitment:

Promotions: Organizations have career development programmes and succession plans as a way to fill positions from their existing staff itself. This gives employees growth and tremendous motivation to stay with an organization. Growth refers to any increase in knowledge and skills, advancement are the movement up in the career ladder.

Lateral Transfers: These are transfers of existing employees who either are doing similar jobs in another section or branch of the organization, as part of a larger individual development plan.

Networking with Employees and Ex- employees: This is a cost effective way to fill a post by asking existing employees to recommend friends, relatives, or past associates to fill the post.

Talent Bank/ Data Bank: Job seekers keep applying to an organization even though the organization has no vacancy and has not advertised for a post. Such drop in applicants can be interviewed and, if found suitable, can be kept on a waiting list in the Talent bank which is a filing cabinet with such applications and resumes. Nowadays soft copies are maintained of CV's and resumes.

Job postings: These are announcements of vacancies on employee notice boards. Many organizations prefer to give opportunity first to their employees to apply for a vacancy. These are those who may get a rise in their career while others who may want the advertised job as their preferred career choice to the one they are presently doing. These postings are done on the employee notice board located in the Human Resource Department.

Cross training: It is the training of the employees in other related job positions. The hospitality industry has set the lead in cross training giving managements the flexibility to deploy workers in different departments when the need arises. It also gives an employee an appreciation of other jobs when they coordinate with them. A progressive organization would rotate new recruits through various functions to give them an appreciation for other positions, develop additional skills, and have the flexibility to exercise them.

Internships: Establishments, who anticipate a high turnover of staff due to competitive environments, conduct induction training of raw recruits as a way to keep the supply of trained human resources to the organization through apprenticeship, internship, and management training programmes.

Merits of Internal Sources: The following are the merits of internal sources of recruitment:

- It creates a sense of security among employees when they are assured that they would be preferred in filling up vacancies.
- It improves the morale of employees, for they are assured of the fact that they would be preferred over outsiders when vacancies occur.
- It promotes loyalty and commitment among employees due to sense of job security and opportunities for advancement.
- Time and costs of training will be low because employees remain familiar with the organisation and its policies.
- Relations with trade unions remain good. Labour turnover is reduced.
- It encourages stability from continuity of employment.
- It can also act as a training device for developing middle and top-level managers.

Demerits of Internal Sources:

- It often leads to inbreeding, and discourages new talent from entering and organisation.
- As promotion is based on seniority, the danger is that really capable hands may not be chosen.

External sources of recruitment: Following are the external sources of recruitment:

Recruitment Agencies: They are the most popular external source from which recruitment can be done. These agencies are able to produce lists of interested candidates immediately from the talent bank available with the agency.

Advertisements: These are job announcements in the media; this is used most often in the newspapers, trade magazines, or appropriate media. Job advertisements are preferred when there is volume of candidates to be recruited.

Employment exchange: These are public agencies, run by the government of each country, to provide the unemployed population a common forum to get jobs.

The Internet: The internet has grown to become a new cost effective source of recruitment. First are the company websites that post job vacancies. Resumes are received online at no cost at all. Then, there are employment sites such as www.Naukri.com or www.Monster.com.

Campus recruitment

Unsolicited applicants

Labour contractors

Employee referrals

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Merits of External Recruitment:

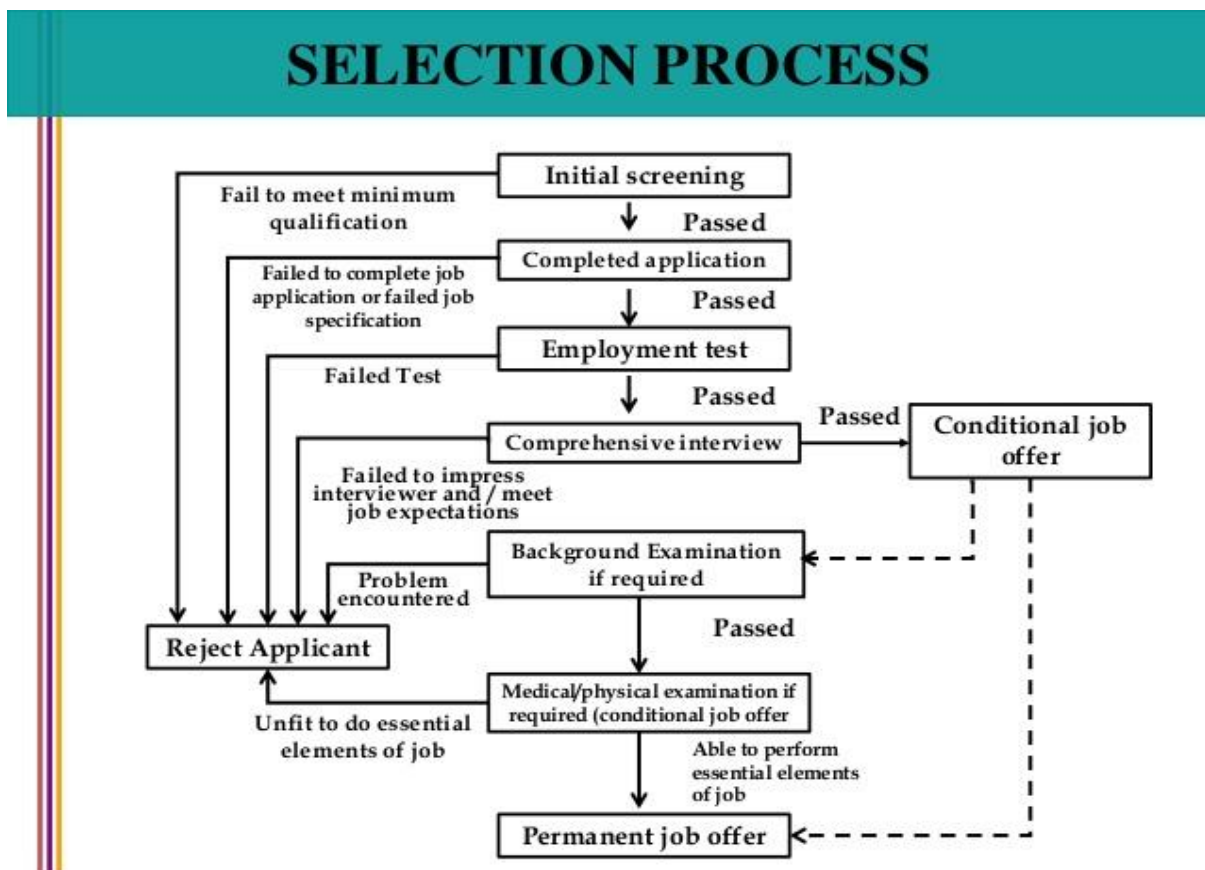
- It will help in bringing new ideas, better techniques and improved methods to the organisation.
- The cost of employees will be minimised because candidates selected in this method will be placed in the minimum pay scale.
- The existing employees will also broaden their personality.
- The entry of qualitative persons from outside will be in the interest of the organisation in the long run.
- The suitable candidates with skill, talent, knowledge are available from external sources.
- The entry of new persons with varied expansion and talent will help in human resource mix.

Demerits of External Sources:

- Orientation and training are required as the employees remain unfamiliar with the organisation.
- It is more expensive and time-consuming. Detailed screening is necessary as very little is known about the candidate.
- If new entrant fails to adjust himself to the working in the enterprise, it means yet more expenditure on looking for his replacement.
- Motivation, morale and loyalty of existing staff are affected, if higher level jobs are filled from external sources.

2.3.2 Selection process

Selection is the process of choosing from the eligible human resources identified in the recruitment drive. Personnel selection is vital to the hiring process, and ultimately, in organizational effectiveness. The selection process aims to choose the eligible candidates closest to the specification meticulously identified as part of the job analysis process. A challenge in selection processes is to identify those who show potential to perform and deliver results as desired. These are not as obvious as academic certifications or history of employment. Potential is amorphous and has to be drawn out by clever selection processes.



1. Application Pool: Application pool built-up through recruitment process is the base for selection process. The basic objective at the recruitment level is to attract as much worthwhile applications as possible so that there are more options available at the selection stage.

2. Preliminary Screening and Interview: It is highly noneconomic to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used. All applications received are scrutinised by the personnel department in order to eliminate those applicants who do not fulfil required qualifications or work

experience or technical skill, his application will not be entertained. Such candidate will be informed of his rejection.

3. Application Blank or Application Form: An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection.

2.4 Selection Tests:

It is a way to ensure that a candidate has the knowledge, skills and aptitude for the job. These are the ways to test candidates.

- **Technical Skills Test:** These evaluate skills. A cook may be asked to prepare a four course menu, a server to lay out a table cover, a room service order taker to do a voice test.
- **Job Knowledge Tests:** This test measures body of knowledge required for the job. These tests are questionnaires in multiple choice format or essay type.
- **Cognitive Tests:** - These are frequently used paper and pencil or computerized tests. These tests measure mental, clerical, mechanical, or sensory capabilities. Examples are the Scholastic Aptitude test (SAT) and General Mental Ability Test (GMAT) which were developed to measure ability to master college level material. Each organization can develop their own cognitive tests skilled, supervisory, or management levels. They are meant to measure a person's aptitude or mental capacity to gain and retain knowledge from various learning sources.
- **Integrity Tests:** These tests measure attitude and experience related to a person's honesty, dependability, trustworthiness, and reliability. These tests are formatted in multiple choice or true or false questionnaires.
- **Group Discussions:** These discussions ascertain leadership and team qualities. Groups of no larger than 15 candidates are given a topic to discuss. They are evaluated not only on the content of their contributions, but also the way they relate to each other.
- **Extempore Speaking:** - Extempore speaking evaluates oral communication skills and stress. The stress is created by making the candidate pick a topic and speak instantly. Topics can be deliberately vague to create the pressure. In stress situations, even a simple topic can be daunting
- **Aptitude Tests:** These tests assess verbal, numerate, conceptual abilities and general knowledge. This test reflects the hierarchical structure of a candidate's intelligence in relation to an average worker. They are composed of numerical, verbal, and spatial ability scales bought together as a test questionnaire. They can then be scored and

interpreted individually as a specific ability or aptitude measure, or together as a part of a general ability measure. Aptitude tests are only one of the inputs of a selection process. They actually measure candidate's abilities and talents, an accountant must be high in numeric ability, a salesperson good at verbal ability, while an ad-man must be good at spatial (conceptual) ability.

- **Physical Aptitude Tests:** These tests check out the physical ability. Physical tests are designed to assess a candidate's muscular strength, movement quality, and cardiovascular endurance. Basically they are linked to the probability of accidents and injuries when doing physical work on the job. Psychomotor tests assess processes such as eye-hand coordination, arm-hand steadiness, and manual dexterity. Potential waiters who carry heavy loads on a tray can be administered this test as they carry precious assets of the property like crockery and glassware. Sensory tests are designed to assess the extent to which an applicant can detect and recognize differences in the environment. security
- **Case Studies:** These studies ascertain problem-solving skills and attitude. A case study is a written account of a real-life problem, which needs to be resolved. A group is given the case study to discuss and find solutions. This is often used for supervisory and management positions.
- **Psychological tests:** These are being emphasized upon nowadays. Personal / Motivational tests work on the belief that performance is a function of ability and motivation. Cognitive tests do not bring out anything on motivation.
- **Assessment Centres:** These centres measure knowledge, skills, and attitudes through a series of exercises that reflect job content and types of problems faced on the job, cognitive ability tests, personality inventories and/ or job knowledge tests. The assessment centre will use a number of methods and tools, especially those directly related to the jobs by trained assessors. Most organizations use assessment centres for supervisory and managerial positions.
- **Medical Tests:** These tests have become very important to organizations who want to recruit healthy individuals to perform their jobs on a regular basis. The main aim is to find a fit candidate. The second important concern is not to import diseases to the work place.
- **Background Checks:** It is the process of authenticating the information supplied to a potential employer by a job applicant in his or her resume, application, and interviews. It is ethical to let the candidate know that the organization will conduct background checks and will get a written consent from the candidate.

2.4 INTERVIEWS

These are face to face interaction for the purpose of selection. It is the method of selection most commonly used. However, few people are actually skilled at interviewing. The process is critical because it tells the candidate how professional the organization is. All interviews have a rating sheet and after the interview the rating is collated to get an average score.

Types of Interview

- ▶ **Structured or Direct Interview:** A structured interview is typically formal and organized and may include several interviewers, commonly referred to as a panel interview.
- ▶ **Unstructured Interview:** The interviewer is interested in hearing from you, so you may be asked a variety of different open ended questions. This interview is more conversational and less formal than a structured interview.
- ▶ **Stress Interview:** This style is used primarily by interviewers who are hiring for positions where there is a high level of daily stress in the work environment (i.e., sales, stockbroker, etc.).
- ▶ **Exit Interview:** It is carried out when an employee leaves the company. It helps the employer in having a better insight into what is right or wrong in the organization.
- ▶ **Appraisal / Assessment Interview:** It is carried out for performance appraisal between supervisor and employee.
- ▶ **Situational Interview:** It normally focuses on the ability of an individual to project what his behaviour will be in a given situation.
- ▶ **Behavioral Interview:** The situation is described and candidates are asked how they have behaved in the past in such a situation.
- ▶ **Psychological Interview:** These are conducted by a psychologist with an intent to access personal trait such as reliability or dependability.