MANPOWER PLANNING

I-MBA 8th Semester

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Module-1

Manpower Planning:

Manpower planning may, be defined as, "the replacement planning which analyze labour turnover, recruitment policy, and assess the future needs of the organization. Manpower planning is "the process by which management determines how the organization should move from its current manpower position to its desired manpower position. "Manpower planning is a dual process, which identifies the manpower requirement, in future and develops its manpower resources accordingly.

Edwin B. Flippo defind Manpower planning as, "the planning, organizing, directing and controlling of the procurement, development, compensation, integration and maintenance of people for the purpose of contributing to organizational and individual and goals."

Factors Affecting Manpower Planning:

1. Exciting Stock of Manpower:
This is the first basis of manpower planning and it is the starting point of all planning processes. By studying the position of total stock of manpower, by dividing it into groups on the basis of function, occupation, level of skill, we can analyze the existing stock of manpower.

2. Wastage:
The second basis of manpower planning is wastage analysis .For a good planning, appropriate adjustment in the existing stock of manpower should be made for the possible wastage of manpower. Labour turnover rate, and labour stability rate can be studied to analyze the wastage of manpower.

3. Future Manpower Requirement:
We can easily measure the future requirements of manpower, after assessing the existing stock of manpower and analysing the several factors of wastage.
To analyse the future manpower requirements, the following factors should be considered:
Future plans of the company
 Government plans and programmes
  Demand and supply
 Manpower in future
 Labour productivity
 Other factors of production and replacement needs

4. Future Withdrawal of Workers:
Effective manpower requires that the human resource manager should take into consideration decrease in the working force in future due to retirement, demotion.

Objectives of Manpower Planning:

1. Optimum Productivity:
Skilled and qualified workers are recruited or they become so through the training programme provided by the organization, through the manpower planning. Hence, an organization can achieve the effective optimum utilization of human potential, which will result in optimum productivity.

2. Reduction in Labour cost:

Effective use of manpower and optimum productivity will reduce the wastage. It will reduce the labour cost.

3. Effective Recruitment and Selection:
Right person can be placed at the right job and at right time through manpower planning. Because future need can be predicted by manpower planning. Therefore, effective recruitment and selection can be achieved so that no need to spend much amount on the training and labour turnover can be reduced.

4. Group Satisfaction:
By establishing mutually satisfying work relationship between all the members of the organization, group satisfaction and team spirit can be achieved.

5. It helps in maximizing individual development.

6. Effective manpower planning may help the management in developing the good employer-employee relationship. It leads to improve the industrial relations.

7. It maximizes the contributions and the satisfaction of the employees of a business.

8. It gives due consideration to the capacities, interests, opportunities and reactions of the workers.

9. To develop the future training and management development needs.

10. To avoid the staff surplus and unnecessary dismissals in the manpower planning.

11. To control the wages and salary costs.

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Advantages of Human Resource Planning

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Improvement of Labour Productivity:
The productivity of labour can be improved if the workers are kept satisfied. Just as satisfied workers can be productive, dissatisfied workers can be destructive. MPP can improve the morale of the labour and also the labour productivity. Effective MPP can keep the company on the cutting edge of technical proficiency and can position it to capture market share through superior execution of essential tasks. Competitive advantage can be attained by a company only through effective MPP.

2. Recruitment of Qualified Human Resources:
Talented and skilled labour has become a scarce resource. For the long run survival of the firm, it is essential to recruit the best labour force through proper manpower planning.

3. Adjusting with the Rapid Technological Change:
With the change in technology, the job requirements are changing. Therefore, it is necessary to forecast and meet the changing manpower, which can withstand the challenges of the technological revolution.
Example:
When automation of banking sector took place, the process of doing job got entirely changed and the Man power of this sector was forced to undergo a rigorous training on operation of computers.

4. Reducing Labour Turnover:
The labour turnover refers to the mobility of labour out of the organization due to various factors such as dissatisfaction, dismissals etc. Due to labour turnover, a firm will be losing experienced and skilled

labour force. Cross training and teamwork are some of the measures adopted by a firm to decrease the level of dissatisfaction.

5. Control over Recruitment and Training Cost:
Highly skilled personnel are in short supply and it is very costly to hire, train, and maintain them. A company has to bear heavy costs in processing the applications, conducting written tests, interviews etc., and in the process of providing adequate training facilities.

6. Mobility of Labour:
It is very difficult to maintain the qualified personnel in an organization as they will be moving from one job to another in search of better prospects. Therefore, in order to reduce the loss of experienced and skilled labour, every organization must have a sound system of manpower planning.

7. It can Facilitate Expansion Programmes:
In these days of rapid industrial development, every company goes for expansion of its activities. As a result of the increasing company size, the demand for human resources also increases to deliver the increased demand of the organisation.

WHY HRP?

The Growing Occupational Structure of the labour force

Unemployment Situation

The Skill Shortages

Technological Changes

Organizational Change

Demographic Changes

MPP VS HRP

As personnel management is integrated with HRM as is manpower planning is integrated with HRP.

MPP takes care of manpower forecasting, career path, training etc but HRP is basically a planning of the resourcefulness and human aspect of the entire organization.

Though HRP includes all the elements of MPP it gives greater emphasis to HRD, succession planning etc.

MPP has its concern for the manpower system of the organization. People who are capable to contribute their power fully to the organization are retained, while those who lack in contributing the best power will not be able to keep their jobs.

According to HRP: if individual has the human power for productivity he has human weaknesses and problems too. As he is able to make positive contributions, so is he susceptible to committing mistakes.

MPP takes care of the power of people to make positive contribution, whereas the other side of the coin is not its concern.

Types of HR Plans

1. MACRO LEVEL HRP

Macro level HRP looks at population development and planning issues in the same way as corporate HRP. The difference being that Government takes up role of a planner. In Macro level planning, the canvass of operation is the entire nation. Planners deal with issues of meeting current and future challenges facing the country. Government has to focus on availability of HR for the country's industry, agriculture, and military and so on. Government continuously studies the environment in order to ensure that the labor absorption capacity of the economy is kept in line with the overall supply, so that unemployment levels are minimized.

ON THE BASIS OF TIME SPAN

Short Range HR plan
The time period may vary from six months to one year in short-range plans.

2. The Mid-Range HR Plan
The "mid-range plan" has a different time span in various companies. It can be as short as a few months or as long as several years.2-3 years period is a mid-range.

3. The Long Range HR plan
The "long range" could be 5 years, while 10 to 15 years span could be used for a perspective plan. Long-range plans are general rather than specific, flexible rather than rigid.

Human Resource Planning Process

It is how organization assess the future supply of and demand for human resources.
An effective HR plan also provides mechanisms to eliminate any gaps that may exit between supply & demand. It determines the number and types of employees to be recruited into the organization or fazed out of it. Dynamic by nature, HRP process often requires periodic adjustments as labor market conditions change. Govt. policies are another important factor in planning requirements for equal employment opportunity and promotion call for more HR planning for women and other employees in minority groups.

The types of people employed and the tasks they perform also determine the kind of planning necessary. An organization may not need to plan very far in advance for unskilled jobs, since there will usually be an abundant supply of readily available workers for these jobs. Certain high skill jobs, on the other hand, may require planning activities.

1. **Strategic planning** refers to a decision about what it wants to accomplish and how it wants to go about accomplishing it. HR planning process is very critical to the implementation of that strategic plan. Thus, once the strategic is set, the HRM function must do its part to ensure the strategic success. Thereby helping the organization to achieve its objectives. A central premise of the strategic perspective of HR is that HR policies will have directed effects on organizations profitability.

2. **Situation analysis or environmental scanning: -**

   The first stage of HR planning is the point at which HRM and strategic planning initially interact. The strategic plan must adapt to environmental circumstance & HRM is one of the primary mechanisms that an organization can use during the adaptation process.

   For Example: -

   Rapid technological changes in the environment can force an organization quickly identify & give employees with new skills that previously were not needed by the organization. Without an effective HR plan to support the recruitment & selection functions in the organization, it would be impossible to move fast enough to stay competitive.

3. **Forecasting Demand for Employees: -**

An effective HR planning process is estimating not only how many but also what kind of employees will be needed. Forecasting estimates staffing requirements of the organizations. Although many quantitative tools can help with forecasting, it addition, many successful HR planners rely heavily on their "gut instincts" about future conditions. It should be obvious that the demand for employees is closely tied to the strategic direction that the organizations has chosen. Are we in a growth mode?

Or are we engaged in reengineering that will shrink our work force in the coming years. Trying to estimate how many & what kind of workers will be needed in the future is really a difficult task, especially for organizations that confront rapidly changing environments such as those found in the computer industry. Numbers of techniques available to organizations help reduce this kind of uncertainty.

4. **Supply Forecasting:**

The next phase of HR planning is designed to answer the question " How many & what kind of employees do I currently have in terms of the skills & training necessary for the future.

The skills inventory:

The major tool used to assess the current supply of employees is the note what kind of skills, abilities, experiences and training the employees currently have.y keeping track of these, the organizations can quickly determine whether a particular skill is available when it is needed. A skills inventory in its simplest form is a list of names, characteristics, & skills of the people working for the organizations.

Action decision in Human resource planning:

After the HR planning system has analyzed both the supply of and the demand for future workers. These two forecasts are now the organization needs to choose a course of action to eliminate the gap.

1. Action decision with a shortage of employees:

When the supply of workers is less, than the demand, several possibilities are open to the organization:

If the shortage is small and employees are willing to work overtime, it can be filled with present employees.

If there is a shortage of highly skilled employees, training and promotions of present employees, together with the recruitment of less-skilled employees, are possibilities.

2. Action decision with surplus of employees:

When comparison of demand for and supply of employees indicates a surplus, the alternative solutions include attraction, early retirements, demotions, layoffs & terminations. Decisions in surplus conditions are some of the most difficult that managers must make, because the employees who are considered surplus are seldom responsible for the conditions leading to the surplus. A shortage of raw material or a poorly designed or poorly marketed product can cause an organization to have a surplus of employees.

- As a first approach to dealing with a surplus, most organizations avoid layoffs by relying on attrition, early retirements creation of work and the like.

- Many organizations can reduce their workforce simply by not replacing those who retire or quit. Sometimes this approach is accelerated by encouraging employees close to retirement to leave early, but there are drawbacks to this approach:-

First statistics indicates that workers over 50 tend to be healthier and have fewer work-related injuries.

Large amount of retirements are expected to lead to acute skills shortage that will negatively affect companies ability to compete in the global market place.

Thus without proper planning & retention strategies, organizations run the risk of losing their best employees. If voluntary reductions such as early retirement programs are not successful in eliminating the gap between supplies of demand for HR, an organization might have to contemplate temporary or permanent layoffs.

Demand forecasting

Demand forecasting is the process of estimating the future quantity and quality of people required. Forecasting yields advance estimate or calculations of the organizations staffing requirements. Trying to estimate how many and what kind of workers will be needed in the future is clearly an incredible difficult task.

Reasons for demand forecasting:

It can help: -

Quantify the jobs necessary for producing a given number of goods.

Determine what staff-mix is desirable in the future.

Prevent shortages of people.

Monitor compliance with legal requirements with regard to reservation of jobs.

Forecasting techniques:

- The expert estimate.

- Ratio – trend analysis

- Regression analysis

- Work study technique

- Delphi technique

- Others.

1. The expert estimates:
The least mathematically sophisticated approach to employment forecasting is for an 'expert' or group of experts. It provides the organization with demand estimates based on experience, guess, intuition and subjective assessments of available economic / labor force indicators.

2. Nominal group technique (NGT):
Individual generation of estimates is followed by group brainstorming sessions in the hope of generating one group decision that is preferred over any of the individual decisions. NGT can be an effective forecasting tool. It can also help to offset domination by a single person in-group decision making by creating a situation where everyone has an equal opportunity to provide opinions.

3. Ratio Trend Analysis:
The technique involves studying past ratios; say between the number of workers and sales in an organization and forecasting future ratios, For ex: - in many businesses, sales levels are related to employment needs.

Some examples of ratio are:
        -Sales volume per person/
        -Units produced per employee.

These ratios help in projecting future need of HR.

4. Regression Analysis:

Here, also the forecast is based the relationship between sales volume and employee- size. A firm first draws a diagram depicting the relationship between sales and workforce size. It then calculates a regression line – a line that cuts right through the center of the points on the diagram. By observing the regression – line one can find out number of employees required at each volume of sales.   Ex: - today if one salesperson is needed to sell ten million rupees worth of soap in a year. It is easy to compute the number of salespersons required to generate the projected revenue from the same business.

Regression analysis is widely used for prediction and forecasting, Regression analysis is used to understand which among the independent variables are related to the dependent variable, and to explore the forms of these relationships. In restricted circumstances, regression analysis can be used to infer causal relationships between the independent and dependent variables.

Employee size
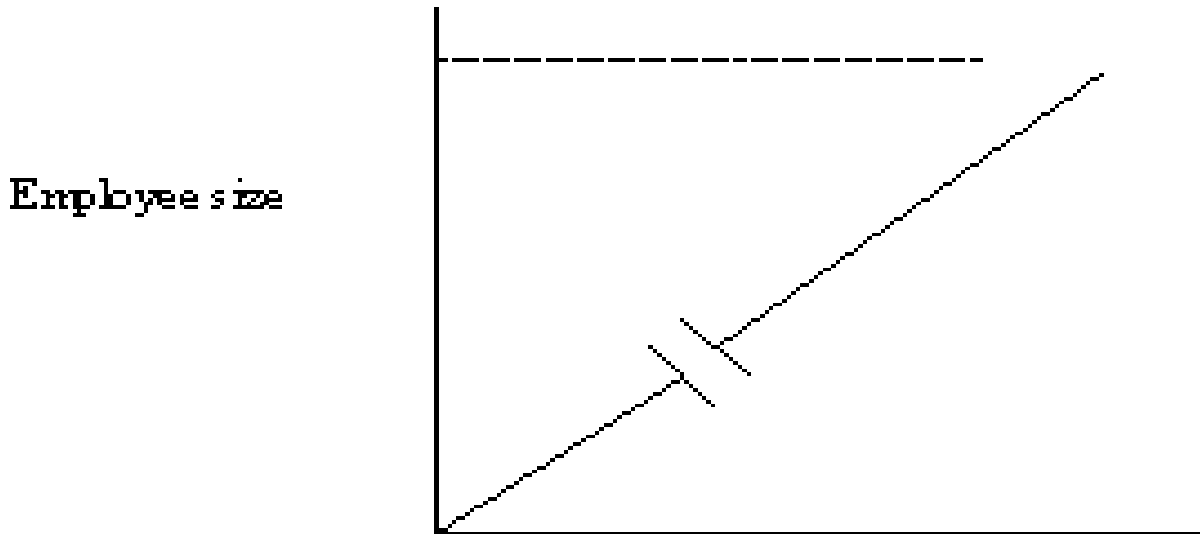
5. Work – study Technique:

Work-study techniques can be used when it is possible to apply work-measurement to calculate the length of operations and the amount of labor required.

- Classification of work
- Forecasting the number of job
- Converting the projected jobs in man hour
- Converting the man hours into man power requirement.

Example:

Planned output for next year=20,000

Standard hours per unit = 5

Planned hours for the year = 1,00000

Productive hours per man/year =2,000

Number of direct workers required = 50

6. Delphi Technique:

The Delphi technique is a method of forecasting personnel needs. It solicits estimates of personnel needs from a group of experts. he HRP experts act as intermediaries summarize the various responses and report the finding back to the experts. Summaries and surveys are repeated until the experts opinions begin to agree.

Procedure:

To start with, it requires selection of a coordinator and a panel of experts both within and outside the organisation.

The coordinator then circulates questions in writing to each expert.

The experts then write their observations.

The coordinator edits those observations and prepares a summary.

On the basis of his summary, the coordinator then develops a new set of questionnaire and circulates those among experts.

Experts then answer new set of questions.

The coordinator repeats the process till he is able to synthesize the opinion of the experts.

Other Methods:

1.Benchmarking:

Here comparison is made with the same or similar activities, with the help of such data or benchmarks, an enterprise can forecast its own manpower needs.

Benchmarking is a process of measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry, "best in class."

The point of benchmarking is to identify internal opportunities for improvement. By studying companies with superior performance, breaking down what makes such superior performance possible, and then comparing those processes to how your business operates, one can implement changes that will yield significant improvements.

If an enterprise wishes to open a sales office in the northern regions of India, it can determine its manpower needs by benchmarking with other similar enterprise within the same region.

2. Standards Comparison: -

Standards that are established over a period of time provide invaluable data for demand estimations. Such standards could be arrived at through systematic, work-study exercise or could be the industry standards. Example: -

A work force equivalent to 2.5 people per room in a five star hotel is a broad thumb rule accepted by the hotel industry.

Example: -

As per Aicte rule 4 lectures 2 Asst. Professor and 1 Professor is required for 160 students in a college.

Supply forecasting

Measures the number and kind of people likely to be available from within and outside an organization. HR planners need to look at the sources of supply and evaluate them. They try to ensure that suitable strategies are evolved to meet business demand.

Reasons for supply forecasting

Helps to quantify number of people & positions expected to be available in future.

Helps clarify likely staff mixes that will exist in the future.

Prevents shortage of people

The supply analysis covers

- Existing HR
- Internal sources of supply
- External sources of supply

1. Existing HR

- Analysis of present employees is greater facilitated by HR audit.

- Hr audit summarize each employee's skills and abilities.

- This summary gives planners a comprehensive understanding of the capabilities found in the organization's workforce.

2. Internal sources of supply

One of the obvious sources of manpower supply is the internal group of employee.
It is essential to understand and evaluate this internal group in order to assess its possibilities in meeting future business demands.

3. HR inventory
The stratification of the existing population can be done in several manners, some of which are as follows: -

Categorization by age

Segmentation of employee by functions

Categorization by gender

Segmentation by performance levels

Segmentation by organizational hierarchy

Segmentation by salary groups

Skill Inventory

This gives information on the qualitative aspects of HR and provides an insight into redeployment possibilities, promotions; transfer, the gap between future needs and the level of current skills etc. Broad categories of information included in skills inventory are: -

Personal data – age, sex, marital status

Skills – education, training

Special qualification – special achievement

Salary and job history – Present & past salary dates of pay raise.

Capacity of individual - scores on psychological tests, health information

Exhibit 5.3: Knowledge and Skills Inventory.

Factory Commercial Staff					Data as on 15th Sept 1996				
Name	A	B	C	D	E	F	G	H	I
Anil Kumar	★			★	★	★			★
Radha Verma	★			★	★				★
Rajesh Mandal	★			★	★	★	★	★	
Supriya Khanna	★			★	★		★		
Raghav Joshi	★	★			★	★			
Rupa Rani	★	★	★			★			
Anita Goswami	★		★		★	★			
D. K. Nair	★		★	★	★	★			
V. N. R. Murthy	★				★	★		★	
T. N. Banerjee	★	★	★		★	★			★
Rita D"Souza	★	★		★					
S. R. Kulkarni	★		★		★			★	
Pradeep Saxena					★				
T. K. Ramakrishnan			★		★		★	★	★
V. N. Venugopal	★	★			★	★			

	Index of Skills and Knowledge	No. of Employees
A	Computing Skills	13
B	Programming Skills	05
C	Accounting Skills	06
D	Negotiating Skills	06
E	Communication Skills	13
F	Planning and Organising Skills	09
G	Knowledge related to Sales Tax Laws	03
H	Knowledge related to Excise Laws	04
I	Knowledge related to Imports and Exports	04

Factors affecting internal supply: -

A HR planner needs to consider the various factors influence the internal supply of HR of an enterprise. There are two factors which affect internal supply:-

Increase in employee groups

Decrease in employee groups.

Reasons for increase in employee groups: -

Promotion in
One of the obvious methods for increasing the level of the existing work-group is through promotion of employees from within.

Redeployment in

Redeployment strategies can be adopted to utilize excess employees of one job group to fill in the gaps of another.

 External hiring

Planners considering external hiring have to consider issues like- lead time to hire, lead time to induct, time to provide core training etc.

2. Reasons for decreasing in employment groups

 Promotion out

Promotion out to other job level is a reason for depletion in a particular work-group. Planners must consider the trend of "promotion out" in the past.

Voluntary separation

 While announcing such plans the organization must make an assessment of their likely fallout. Depending on how the scheme is designed, the percentage of loss from a particular group can be assessed. A planner is expected to study the impact such plan.

Retirements

Organizations specify the age of retirement or superannuation. Once a person attains the specified age, he / she automatically retires from employment and thus planners can easily calculated the number of retirees for a particular year.

External Supply

In addition to internal supply the organization needs to look out for prospective employees from external sources.

External sources are important for specific reasons: -

New blood and new experience will be available.

Organization needs to replenish lost personnel.

Organizational growth and diversification create the needs to use external sources to obtain additional number and type of employees.

DIFFERENT METHODS OF WASTAGE ANALYSIS

Manpower wastage is severance from the organization, it includes- voluntary retirements, normal retirements, resignations, deaths and dismissals.   Recruitment decisions without wastage analysis may lead to inaccuracies in manpower planning.

Phases of wastage analysis:

During induction phase marginal employee leave

During transit period, an employee learns about the culture and identifies his role in it.

During settled connection, an employee settles down and decides to stay long.

Wastage decreases with the increase of length of service.

Wastage also decreases with the age of employees.

Wastage of manpower is more in female employees

1. Labour Turnover Index

This index indicates the number of leavers as percentage to average number of employees. Average number of employees employed in a given time period is decided by adding the employees at the beginning and end and then dividing the same by 2.

At the beginning of a year, a firm has 250 employees, while at the end it has 230. Compute the labour turnover index.

Number of employees leaving =   250 - 230 = 20

Average number of employees employed   (_250+230)/2= 240

Labour Turnover =(Number of employees leaving)/(Average number of employees employed)×100

$$= 20/240×100=8.33\%$$

2. Stability Index

This index indicates stable workforce percentage for a given period and can be computed as under:

$$\frac{\text{Number with more than 1 year service X 100}}{\text{Total employed one year ago}}$$

3. Cohort analysis

Cohort means a homogenous group.   Cohort analysis takes into account the length of service, which is an important variable in wastage analysis. Here, the percentage of employees who continue in the employment of an enterprise is measured as opposed to the percentage who quit employment. At the end of each year the number of employees from the cohort who survive is calculated. It enables the planner to estimate the probability of a particular group of employees, with a defined length of service, leaving the organization.

We have illustrated a cohort analysis, assuming number of employees employed in the beginning as 500.

Length of service	No. of leaving	Cumulative leavers	Remaining employees	Survival percentage
0	0	0	500	100.00
1	50	50	450	90.00
2	45	95	405	81.00
3	40	135	365	73.00

1st year	50
2nd years	45
3rd year	40
4th year	35
5th year	30

The percentage remaining in column 5 can be presented on a graph paper, which is known as a survival curve.

4. Census analysis:

Required three sets of data: -
The number of employees at the beginning of the census
The number of employees at the end of the census
The number of leavers during the census period

- In the first column we have the length of service in years.

- In the second column we have the number of employees against each of the service length groups at the beginning of the year.

- In the third column the number of employees who left employment is tabulated against each of the service groups .

- In the next column the wastage rate is calculated.

- In the last column the survivor rate is computed.

To get the survivor function for the second year the survival rate of the first year is multiplied with the second year. For the third year, the survivor function of the second year is multiplied with the survival rate of the third year and so on. When survivor function falls, it indicates a low rate of survivals and high rate of wastage.

o get the survivor function for the second year the survival rate of the first year.

Exhibit 5.15: Census Method Used to Calculate Survivor Function.

Length of Service on 1.1.95 in yrs.	# of Employees as on 1.1.95	# Empl. Separated during 95	Turnover rate (Wastage)	Survival Rate	Survivor Function
0-1	20	6	0.3	0.7	0.7
2-3	20	4	0.2	0.8	0.56
3-4	25	5	0.2	0.8	0.448
4-5	10	3	0.3	0.7	0.313
5-6	18	3	0.167	0.833	0.26
6-7	24	4	0.167	0.833	0.216
7-8	10	2	0.2	0.8	0.172
8-9	15	3	0.2	0.8	0.137
9-10	8	1	0.125	0.875	0.119
10-11	16	1	0.16	0.84	0.099
11-12	18	1	0.555	0.445	0.044
12-13	10	0	0	1	0.044
13-14	17	0	0	1	0.044
14-15	7	1	0.143	0.857	0.037
Total	218	34	0.156	0.844	

Steps in Forecasting

Forecasting is the process of estimating the relevant events of future, based on the analysis of their past and present behavior. The future cannot be probed unless one knows how the events have occurred in the past and how they are occurring presently. The past and present analysis of events provides the base helpful for collecting information about their future occurrence.

Forecasting is thus the process of assessing the future normally using calculations and projections that take account of the past performance, current trends, and anticipates changes in the period ahead.

Forecasting provides a logical basis for determining in advance the nature of future business operations and the basis for managerial decisions about the material and personnel requirements. The forecast will have to be constantly monitored and revised—particularly when it relates to a long- term period. The managers should try to reduce the element of guesswork in preparing forecasts by collecting the relevant data using the scientific techniques of analysis.

Steps in Forecasting:
1. Developing the Basis:
The future estimates of various business operations will have to be based on the results obtainable through systematic investigation of the economy, products and industry.
2. Estimation of Future Operations:
On the basis of the data collected through systematic investigation into the economy and industry situation, the manager has to prepare quantitative estimates of the future scale of business operations.
3. Regulation of Forecasts:
Managers have to constantly compare the actual operations with the forecasts prepared in order to find out any deviations from forecasts. This helps in making more realistic forecasts for future.

4. Review of the Forecasting Process:
Having determined the deviations of the actual performances from the actual positions, it will be necessary to examine the procedures adopted for the purpose so that improvements can be made in the method of forecasting.

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Strategic Staffing
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Strategic staffing is a kind of staffing strategy wherein an organization creates a sustainable plan to address any staffing concerns. (now and in the future). In strategic staffing, managers try to look at a company's staffing patterns in the past and from there determine the right number of employees that they need to hire both permanent and temporary.

Knowledge of how many employees will be needed to get the job done will help the managers to manage the workforce situation well. In this case, they won't have to pay for "extra" people whose functions are redundant and unnecessary. However, this kind of human resource management strategy will require specific expertise.

Benefits of strategic staffing

1. Maximizes staff utilization
When a company doesn't do strategic staffing, they have the tendency to over hire employees. But once the appropriate numbers of employees are already determined, then the company can streamline the number of employees and maximize their capabilities. Having more than the number of employees actually needed can lead to redundancy of job functions, wasted time and wasted resources for the company.

2. More systematic way to address HR concerns

With strategic management, workforce needs will be in place. A company's organizational structure will be more organized. It would be easier for the Human Resources Department to address any problem that might occur.

3. Prepare for future staffing problems

 Since a systematic plan is already laid out through the strategic staffing approach, it would be easier to prepare for future staffing problems. If any problem occurs, it will be easier to address because the company already has a system in place.

Steps in Strategic Staffing:

1. Identification

Identify the positions needed. Know what positions are crucial and temporary. Decide whether a position should be added or removed. The manager should take the company's financial capabilities into consideration and work around it.

2. Recruiting.

After identifying the positions needed, the HR planners start to scout for the right people who will fill in those positions. The company's budget would play a role in the recruitment process. Depending on the money available, one can target qualified prospects or go for underdeveloped but potential talents.

3.Development.

Whether employees are experienced or novices, they have to undergo training to align themselves with the mission and vision of the company.

4. Retention.

After going through the process of looking for them, hiring them and training them, HR planners have to take the challenge of retraining the employees.Managers need to take care of the talents that they have developed.

It would also be a waste of resources if there will be a high staff turnover.

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Main Problems Involved In MPP

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1.Inaccuracy:

Projecting manpower needs over a period of time is risky. It is not possible to track the current and future trends correctly and convert the same into meaningful action guidelines. Longer the time horizon, greater is the possibility of inaccuracy.   Factors such as absenteeism, labour turnover, competitive pressures, technological changes may turn the manpower plans into fashionable, decorative pieces.

2. Uncertainties:

Technological changes and market fluctuations are uncertainties, which serve as constraints to human resource planning. It is risky to depend upon general estimates of manpower in the face of rapid changes in environment.

3. Lack of support:

 In the name of cost cutting, MPP may ultimately help management weed out unwanted labour at various levels. The few efficient ones that survive such frequent onslaughts complain about increased workload.

Support from management is equally missing. They are unwilling to commit funds for building an appropriate human resource information system. The time and effort involved – with no tangible, immediate gains – often force them to look the 'other way'.

Successful MPP flourishes slowly and gradually.

4. Numbers' game:

In some companies, MPP is used as a numbers game. There is too much focus on the quantitative aspect to ensure the flow of people in and out of the organisation.

Such an exclusive focus overtakes the more important dimension, i.e., the quality of human resources. MPP, may suffer due to an excessive focus on the quantitative aspects. The quality side of the coin (consisting of employee motivation, morale, career prospects, training avenues etc.) may be discounted thoroughly.

5. Initial effort:

MPP fails because of lack of initial effort. Development of accurate skill inventory and replacement charts are integral part of MPP.

6.Integration with organizational plans:

MPP must be based on organizational objectives. It requires development of good communication between strategic planners and the MP planners. In the absence of such communication MP plans are prepared in isolation, which may be a reason for its failure.

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Recent trends in HRP

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1.Globalization and its impacts:

Business today doesn't have national limits, it stretches far and wide. The ascent of multinational companies has encouraged new requirements on human resource managers. The HR office needs to guarantee that the proper blend of workers regarding abilities and social versatility is available to handle worldwide assignments. Human resource management should likewise create systems that will help multicultural people to cooperate. Since tomorrow's manpower will come from nationalities managers will be required to change their way of life.

2. Work-power Diversity

In the past HRM was significantly less difficult and the fact that the man power was strikingly homogeneous. Today's manpower includes individuals of various sex, age, social class , values, religion, training, way of life and belief systems .

HRM must know about nationality and age contrasts that exist in today's manpower and must prepare individuals of various ages to successfully manage them and regard the qualities that every individual offers.

3.Changing ability prerequisites

Enrolling and creating a talented work force is essential for any organization which is worried about outcomes, profitability, quality and dealing with a work drive successfully.

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Managing surplus and shortage

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Human Resource planning translates the organization's overall goal into the number and types of workers needed to meet those goals.

Action decisions on a shortage of employees:

1. Use of overtime - if the shortage is small and the employees are willing to work overtime, it can be filled with present employees.

2. Use of part time workers, subcontracting,

3. Training and development staff to meet the resource gaps .

4. Promoting employees from lower level to higher levels where there are **gaps.**

Action decisions in surplus conditions:

Attrition and Hiring Freeze – through attrition, individuals who quit, die, or retire are not replaced. Those who remain must handle the same workload with fewer people.

Early Retirement/ Buy Outs –a means of encouraging more workers to leave the organization early with some incentives .

Lay offs – A temporary lay off occurs during slack periods when the workforce is not required. As soon as the work resumes to its normal level, workers are called.. Companies have no legal obligation to provide a financial cushion to laid-off employees.

Leave of Absence without Pay
This gives workers the opportunity to take leaves of absence without pay.
Individuals offered this leave are usually employees whose jobs may be eliminated in the future.

Creation of more work – the organisation can expand its operations by going into other locations or producing additional products.

Transfers – employees can be transferred from areas/departments with surpluses to department with shortage

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Module-2

Behavioral Event Interviews

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The premise behind behavioral interviews is that the most accurate predictor of future performance is past performance in similar situations. Employers use the behavioral interviewing technique to evaluate a candidate's experiences and behaviors in order to determine the applicant's potential for success. In behavioral event interviews (BEI), top performers are interviewed individually about what they did, thought, said, and felt in challenging or difficult situations.

The competencies that were instrumental in their success are extrapolated from their stories. Average and low performers are also interviewed to provide a comparison.

Behavioral vs. Traditional Interviews:

Behavioral

55% predictive of future on-the-job behavior.

Questions are more probing and it's hard to give responses that are untrue to your character.

Provides more objective set of facts to make employment decisions.

When you tell your story, the interviewer will pick it apart to try to get at specific behaviors.

Traditional

10% predictive of on-the-job behavior. You can get away with telling the interviewer what s/he wants to hear, even if you are fudging the truth. Questions are general such as "Tell me about Yourself?"

How Questions are Developed?

Prior to the interview, the interviewer identifies job-related experiences, behaviors, knowledge, skills, and abilities that the company has decided are desirable in a particular position (e.g. critical thinking, self-confidence, teamwork, etc.). The employer then structures very pointed questions to elicit detailed responses aimed at determining if the candidate possesses the desired characteristics.

How to Answer Behavioral Questions?

A candidate should be equipped to answer the questions thoroughly, using stories and examples. Responses should be specific and detailed.

Telling the interviewer about particular situations that relate to each question is far more effective and successful than those who respond in general terms.

STAR Approach:

Use the S-T-A-R approach when answering behavioral interview questions.

S/T-Situation,

Task or Problem

A-Action

R-Result/Outcome

S/T:

Describe the situation, task or problem. Be as specific as possible and provide details.

A:

Describe the specific action(s) you took that had an effect on the situation.

Focus specifically on what you did or how you contributed to the solution.

R:

Describe the positive result(s) or outcome(s).

Be ready to articulate what you learned as a result of the situation.

If possible, quantify your results and make sure to connect accomplishments to the position for which you are interviewing.

S-T-A-R Example

Question:

Tell me about a time when you were able to change someone's way of thinking.

S-T-A-R Example

Answer:

I had a very good friend who wanted nothing to do with joining a sorority because she had heard only bad things about them. First, I listened to her concerns. Then, I explained how not all organizations are the same. Additionally I noted how some of the situations she described do occur, but they are rare and not the norm. During our conversation I thoroughly answered her questions and addressed her concerns. She joined a sorority later that year.

How to Prepare for Behavioral Interviews: Examples?

Use recent examples of specific accomplishments, personal or professional, like scoring the winning touchdown; being elected president of your organization; winning a prize for your art work; or raising money for a charity.

Whenever possible, quantify your results…numbers always impress employers.

How to Prepare for Behavioral Interviews: Examples

Half your examples should be positive.

The other half should be situations that started out negatively but either ended positively or situations where you made the best of the outcome.

Try to describe examples in story form using the STAR method.

COMPETENCY

Competence means a skill by which the level of performance is reached. Competency: a person related concept that refers to the behavior underlying competent performance. Competence describes what people can do while the other focuses on how they do it.

The competent application of a skill is likely to make one act in a competent manner. Competence refers to the range of skills which are required for satisfactory performance. while competencies refer to the behaviour adopted in superior performance.

Hogg B. "competencies are those characteristics of manager that lead to the demonstration of skills , which result in effective performance in an occupational area.

Classification of competency

Central and surface competencies:

These competencies exist at surface level as our core personality characteristics.

The surface level competencies of knowledge and skills are visible in performance and can be developed with training and development.

Threshold and differentiating competencies:

Threshold competencies are required by a job holder to perform a job effectively, whereas differentiating competencies tells the difference between superior and an average performer.

Competencies are measurable human capabilities that are required for effective and successful performance. Competency analysis identifies and documents those capabilities and allows an organization to use this information in people management system.

COMPETENCY MAP

A competency map is an assessment tool that outlines the skills and behaviours required to succeed as a manager.   It is a vehicle which supports the learning process.

COMPETENCY MAPPING

COMPETENCY

Any underlying characteristic required for performing a given task, activity or role successfully can be considered as competency. Competency is a "capacity that exists in a person that leads to behaviour, that meets the job demands and that in turn bring about desired results".

Difference between competency and skill and knowledge:

 Competencies only include behavior that demonstrates excellent performance.   They do not include knowledge, but include applied knowledge or the application of knowledge that produces success. Competency may include manifestation of skills that produce success.

COMPETENCY – DEFINITION

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION (2002)

"A competency is a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job."

RANKIN (2002)

"Competencies are definition of skills and behaviors that organizations expect their staff to practice in work."

MANSFIELD (1997)

"Underlying characteristics of a person that results in effective a superior performance"

Hayes

Competencies are generic knowledge or skill of a person linked to superior performance on the job.

Albanese

"Competencies are personal characteristics that contribute to effective performance"

Competency may take the following forms:

Knowledge
Attitude
Skill

COMPETENCY MAPPING

It is a process of identification of the competencies required to perform successfully a job at a given point of time. It consists of breaking a given role or job into its constituent tasks or activities and identifying the competencies (technical, managerial, behavioral, conceptual knowledge and attitude and skills, etc) needed to perform the same successfully.

It is a process of identifying key competencies for a particular position in an organization and then using it for job evaluation, recruitment, training and development, performance management, succession planning, etc.

OBJECTIVES OF COMPETENCY MAPPING

Competency mapping serves a number of purposes. It is done for the following functions:
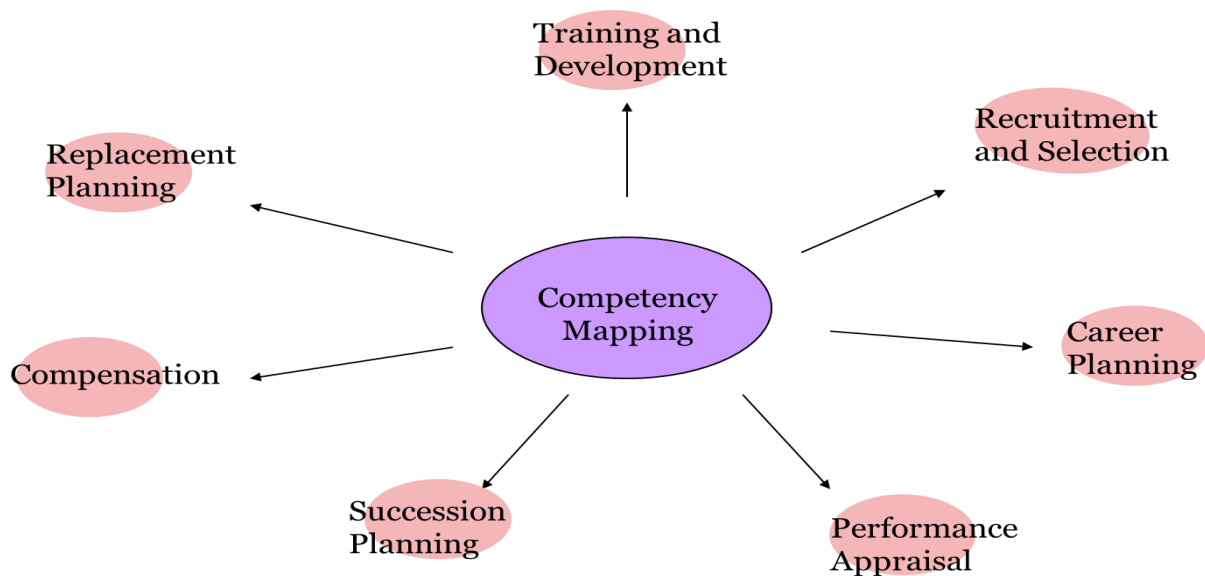Gap Analysis
Role Clarity
Succession Planning
Growth Plans
Inventory of competencies for future planning

NEED FOR COMPETENCY MAPPING

STEPS IN COMPETENCY MAPPING

1)Decide the positions for which the competencies need to be mapped.

2) Identify the location of the positions in the organizational structure. This needs the clarity of organizational structure, defining the position relationships (reporting authority, subordinates, peers etc.).

3) Identify the objectives of the function.

4) Identify the objectives of the role. Why does the position   exist?

5) Collect the Key Performance Areas (or KRAs, Tasks, etc.) of the position holder for the last two to three years from the performance appraisal records.

6) Collect the job descriptions of the position to make a list of all tasks and activities to be performed by that position holder.

7) Interview the position holder to list the Tasks and activities expected to be performed by the Individual. There is no rigid rule about the number of tasks. It depends on how complex the position is. It is useful to start with as many tasks as possible.

8) Interview the position holder to list the actual knowledge, attitude and skills, required for performing the task effectively.

9) Repeat the process with all the position set members.

10) consolidate the list of competencies from all the position holders' by each task.

11) Edit and finalize. Present it to the supervisors of the position holder for approval and finalization.

EFFECTS OF COMPETENCY MAPPING ON OTHER HRD SYSTEMS

Recruitment & Selection
Performance Management System
Training
Development
Compensation Management

1. RECRUITMENT & SELECTION:
Competency-based recruitment
is a process of recruitment based on the ability of candidates to produce anecdotes about their professional experience which can be used as evidence that the candidate has a given competency.
A competency based approach to recruitment and selection of staff can help an organization, to make it an effective and successful investment of time, money and expertise. Such an approach will help to ensure that:

The organization is clear regarding the competencies and skill sets required by the job;

Selection processes encourage a good fit between individuals and their jobs, managers and staff have the required skills and competencies;

Individual skills and abilities are matched to the requirements of the job;

2. PERFORMANCE MANAGEMENT SYSTEM
Integrating competencies within the performance management process supports the provision of feedback to employees not only on "what" they have accomplished (i.e., performance goals), but also "how" the work was performed, using competencies for providing feedback.
Integrating competency with PMS helps:-
Employees in understanding performance expectations and enhancing competencies
To provide a mechanism for providing positive feedback about an employee's training achievements and on-the-job performance
To provide job standards for performance appraisal
To provide clear direction for learning new job skills

3. TRAINING:
Competency Based Training focuses on what the participant is expected to do in the workplace as opposed to just having theoretical knowledge. An important characteristic of Competency Based

Training is that it is focused not only on the actual jobs that are required in the workplace, but also the ability to transfer and apply skills, knowledge and attitudes to new Situations and environments.

The advantages of competency based training(CBT) are:-

Participants will achieve competencies required in the performance of their jobs.

Participants build confidence as they succeed in mastering specific competencies.

4. DEVELOPMENT:

All businesses are based on some key competencies. The main reason for an organization to create a competency-based development system that focuses on having the right people with

Right skills at the right time are that it helps in accomplishing business targets. Competencies are the need of the hour and designing appropriate competency development models is a necessity.

Advantages of competency based development:-

Improvement in productivity, performance and profitability

Identify employee's capabilities for an organization's future needs

5. COMPENSATION MANAGEMENT:

Competency-based pay fits this new environment. It provides an ongoing incentive to employees to enhance their ability to perform their jobs. Employees are rewarded with salary increases when they add new knowledge or skills or when they demonstrate higher level competence on existing job.

Advantages of competency based compensation:-

Provides a basis of deciding on the compensation

Encourages employees to develop their competencies further

TOOLS OF DATA COLLECTION FOR COMPETENCY MAPPING

Literature Review:

A preliminary approach for defining job content and identifying required competencies is to conduct a review of the literature to learn about previous studies of the job.

Focus Groups:

In focus groups, a facilitator works with a small group of job incumbents, their managers, supervisees, clients, or others to define the job content or to identify the competencies they believe are essential for performance.

Structured Interviews:

In structured interviews, carefully planned questions are asked individually to job incumbents, their managers, or others familiar with the job.

Behavioral Event Interviews:

In behavioral event interviews (BEI), top performers are interviewed individually about what they did, said, and felt in challenging situations. The competencies that were instrumental in their success are extrapolated from their stories. Often, average and low performers are also interviewed to provide a comparison.

Surveys:

In surveys, job incumbents, their supervisors, and perhaps senior managers complete a questionnaire administered either in print or electronically.

Observations:

In this data collection method, the research team visits high-performing incumbents and observes them at work. The more complex the job and the greater the variety in job tasks, the more time is required for an observation.

STANDARD INTERVIEW

An interview can be defined as a gentleman conversation between two people or more where questions are asked to a person to get the required responses or answers.

People involved in an interview:

Usually two groups or two individuals sit facing each other in an interview. The person asking questions is the interviewer and the person answering the questions is the interviewee.

It can be simply defined as the formal meeting between two people where the interviewer asks questions to the interviewee to obtain information.

Objectives of Interview

1. It not only gives the interviewer information about the candidate's technical knowledge but also gives an insight into his much needed creative and analytical skills.
2. It helps in establishing the mutual relation between the employee and the company.
3. It is useful for the candidate so that he comes to know about his profession, the type of work that is expected from him and he gets to know about the company.
4. It helps the candidate assess his skills and know where he lacks and the places where he needs improvement.

Types of Interviews

Based on the count of people involved	Based on the planning involved	Based on judging the abilities	Based on the facilities or settings	Based on the task
Personal interview	A structured interview	Behavioral-based interview	Telephonic interview	Apprenticeship interview
Group interview	Unstructured interview	Problem-solving interview	Online interview	Evaluation interview
Panel interview		Depth interview	Job Fair interview	Promotion interview
		Stress interview	Lunch interview	Counseling interview
			Tea interview	Disciplinary interview

1. Based on the count of people involved

One-to-one interview (Personal interview):

it involves the interviewer asking questions to the interviewee to investigate how fit the candidate is for the job.

2. Group interview:

This involves multiple candidates and they are given a topic for discussion. They are assessed on their conversational ability and how satisfactorily they are able to have their own views.

3. Panel interview

The interviewers here are a group from among the company people who are in a senior position.

2. Based on the planning involved

1. A structured interview (Formal interview or guided interview):

Here in the traditional form of an interview, the questions asked are all in a standard format and the same is used for all the candidates.

2. Unstructured interview (Informal interview)

This is the opposite of a structured interview. Here the interviewer has a definite idea in mind about the questions to be asked, but it doesn't follow a certain format. The interviewer may deviate and a conversation type interview follows.

3. Based on judging the abilities

1. Behavioral-based interview:

The interviewee is asked questions about past work experiences and how it was dealt with in a particular situation. This helps the interviewer understand the candidate's future performance based on his past experiences. Here the candidates need to provide examples when they have handled situations. It helps to assess the candidate's behaviour and responses and this determines the candidate's future job prospects.

2. Problem-solving interview (Task Oriented interview):

Here the interviewer is more concerned about the problem-solving abilities be it managerial, creative or analytical skills. It may involve answering a questionnaire.

3. Depth interview

When you need to ascertain everything about the interviewee right from life history, academic qualifications, work experiences, hobbies, and interests; you conduct the depth interview.

Here the interviewer has a clear idea about the questions he will be asking but once the question is asked, he allows the conversation to flow and is more of a listener. This interview takes time and more of a friendly approach of the interviewer towards the interviewee.

4. Stress interview:

Such interviews are conducted to see how the candidate will be able to react in stressful situations and to assess if he will be able to handle the crisis at his job.

4. Based on the facilities or settings

1. Telephonic interview:

This interview is conducted over the phone and its main objective is to narrow down the probable list of candidates so that only the most eligible ones finally get shortlisted. When the candidate is far-off, the company first conducts a telephonic interview and if satisfied then arranges for a one-to-one interview.

2. Online interview (Video interview or Skype interview):

This interview may be done by online chats, email or through videos. This involves the interviewer asking questions just like in a personal interview.

3. job Fair interview

Here the interviewer does a mini-interview to know the qualifications and the technical knowledge. Then basic technical questions are asked to know if the candidate can proceed further for the main interview. This is a very short interview to net only the potential candidates.

4. Lunch interview:

This interview is more of a conversational interview mainly designed so that the interviewer gets to know more about the candidate. This also helps the interviewer to assess how the candidate conducts himself in a less-formal environment and how he presents himself.

5. Based on the task
1. Apprenticeship interview:
Here the candidate is a novice and the interview is very formal one with general questions and some skill related questions being asked.
2. Evaluation interview:
In this interview, a fixed set of questions are asked and a scoring system evaluates the points scored. This type of interview negates the scope of personal bias of the interviewer.
3. Promotion interview:
This is for an employee of the company seeking a higher position for career enhancement purpose.
4. Counseling interview:
When employees are called and their problems and solutions are discussed within the organization, such meeting type interviews are called counseling interviews.
5. Disciplinary interview:
Here an individual or number of employees or sometimes the employee union is interviewed for their misconduct or non-performance.

<center>**Qualitative aspect of human resource planning**</center>

Qualitative aspect of HRP means that after determining the number of personnel for each department in the organization, it is required to determine the nature of job, which will further help in determining the minimum acceptable qualities required by the personnel. Determining the nature of job along with the minimum acceptable qualities of the personnel is called job analysis.

Job analysis is the process of studying and collecting information relating to the operation and responsibilities of a specific job.
According to Mathis and Jackson," Job analysis is a systematic investigation of the tasks, duties and responsibilities of a job and the necessary qualifications the jobholder needs to perform the job adequately".

Job analysis is divided into two parts:

1. Job description:
This contains the information relating to the job. It is an organized, factual statement of the duties and responsibilities of a specific job. Basically it indicates what is done, why it is done, where it is done and how it is done. Performance standards flow directly from a job description, telling what accomplishes the satisfactory level of performance.
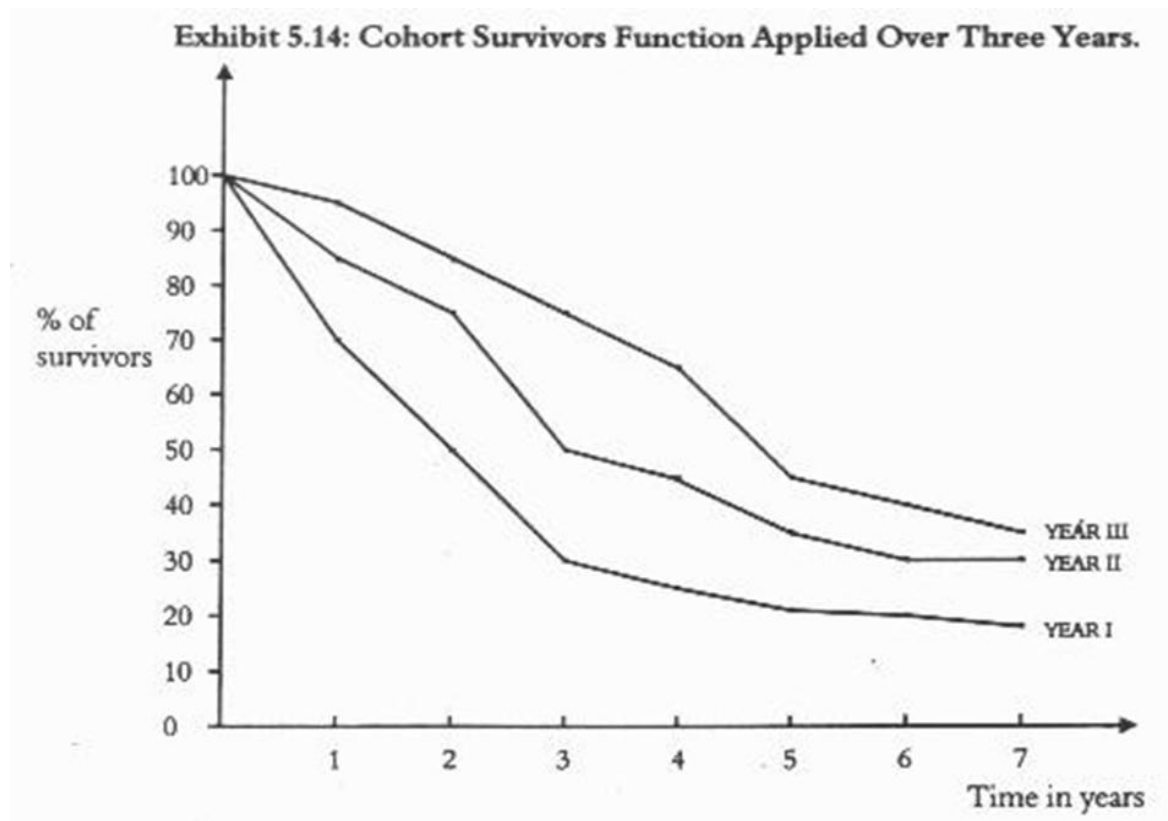
2 .Job specification
A job specification is a statement of the minimum acceptable human qualities necessary to perform the job. It designates the minimum acceptable qualities required for acceptable performance. It guides in the selection of personnel to fill jobs. Thus Job specification contains the information relating to physical, educational, and other qualification required by the individual to perform the job.

THE COHORT METHOD

In cohort analysis, the percentage of employees who continue in the employment of an enterprise is measured as opposed to the percentage who quit employment.

At the end of each year the number of employees from the cohort who survive is calculated and expressed as a percentage of the total number of employees hired.

Cohort analysis enables the planner to estimate the probability of a particular group of employees, with a defined length of service, leaving the organization.

Exhibit 5.14: Cohort Survivors Function Applied Over Three Years.

Census analysis required three sets of data: -

The number of employees at the beginning of the census
The number of employees at the end of the census
The number of leavers during the census period

In the first column we have the length of service in years.
In the second column we have the number of employees against each of the service length groups at the beginning of the year.
In the third column the number of employees who left employment is tabulated against each of the service groups. and in the next column the wastage rate is calculated. In the last column the survivor rate is computed.

To get the survivor function for the second year the survival rate of the first year is multiplied with the second year .For the third year, the survivor function of the second year is multiplied with the survival

rate of the third year and so on. When survivor function falls, it indicates a low rate of survivals and high rate of wastage.

Exhibit 5.15: Census Method Used to Calculate Survivor Function.

Length of Service on 1.1.95 in yrs.	# of Employees as on 1.1.95	# Empl. Separated during 95	Turnover rate (Wastage)	Survival Rate	Survivor Function
0-1	20	6	0.3	0.7	0.7
2-3	20	4	0.2	0.8	0.56
3-4	25	5	0.2	0.8	0.448
4-5	10	3	0.3	0.7	0.313
5-6	18	3	0.167	0.833	0.26
6-7	24	4	0.167	0.833	0.216
7-8	10	2	0.2	0.8	0.172
8-9	15	3	0.2	0.8	0.137
9-10	8	1	0.125	0.875	0.119
10-11	16	1	0.16	0.84	0.099
11-12	18	1	0.555	0.445	0.044
12-13	10	0	0	1	0.044
13-14	17	0	0	1	0.044
14-15	7	1	0.143	0.857	0.037
Total	218	34	0.156	0.844	

MARKOV MODEL

Exhibit 5.16: Simple Promotion Ladder.
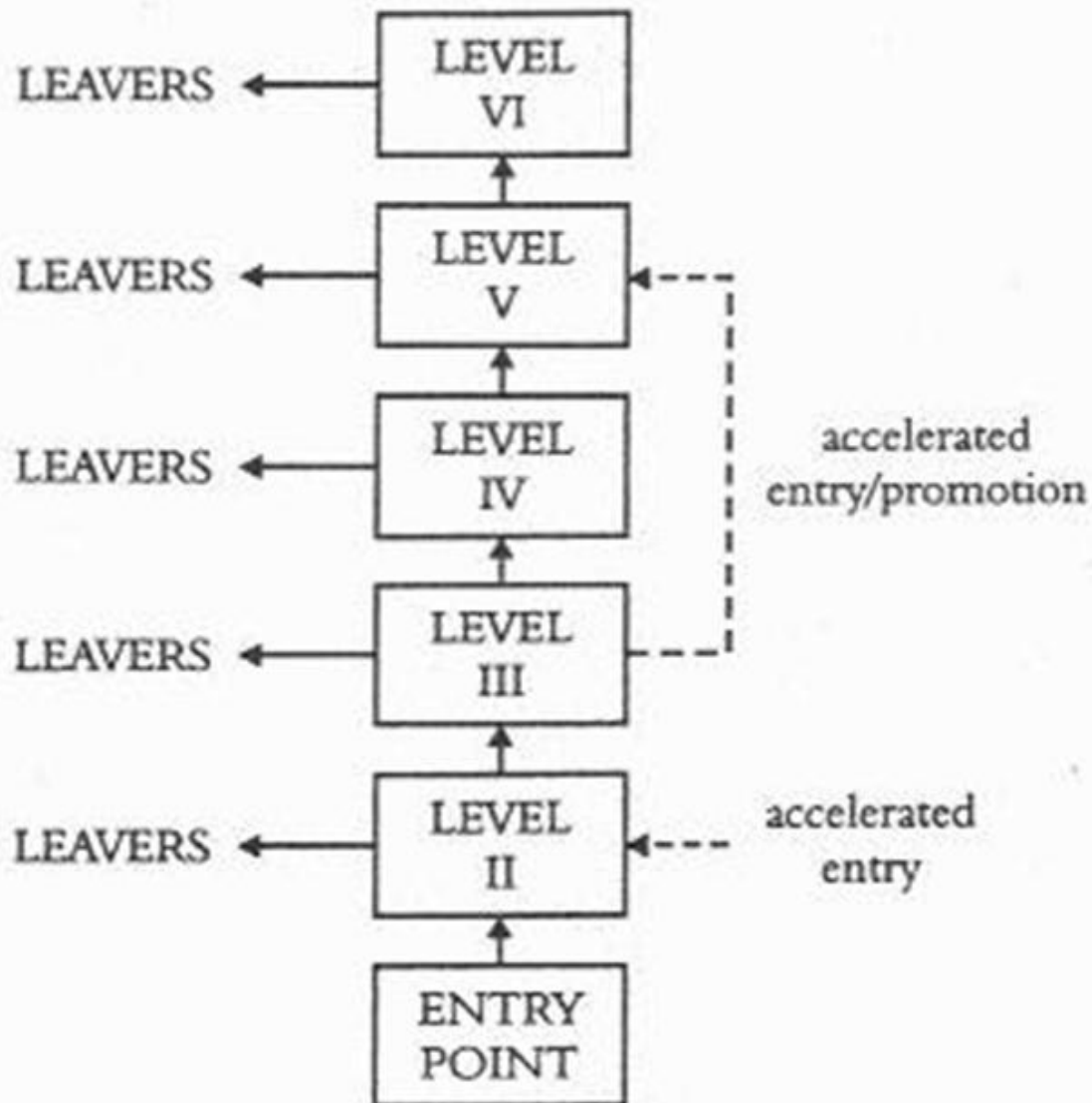
In a simple form of growth an employee may grow from level 1 to 2 , and then to level 3 and so on. It is, therefore, assumed that for level 2 the feeder group is leve1for level 3 it is level 2 and so on.

A person hired at level 1 will enter the box market 'A'. If he continues to remain in this level for 3 years he will automatically move to box 'B' and after ten years to box 'C'.

After considering employee, turnover from each of the boxes, the planners may predict the supply level of employees from internal sources.

RENEWAL MODELS

In this renewal theory, the assumption is that of fixed grade size but upward movement are linked to vacancies at highest levels. Such vacancies are caused either due to natural wastages or due to upward movement. As and when a vacancy is created, the assumption is that it will be filled up through internal promotions.

Institute of manpower studies (1972) in its report have compared the Markov chain model and the renewal theory model as follows:

The Markov or push type models assume that promotions are not dependent on vacancies occurring.

At the other extreme the renewal or pull type models assume that all promotions are the result of vacancies to fill gaps as they arise".

Module-3

STRATEGIC HUMAN RESOURCE PLANNING

Steps to Strategic Human Resource Planning
1.   Assess current HR capacity
2.   Forecast HR requirements
3.   Develop talent strategies
4.   Review and evaluate

When 71% of CEOs believe that their employees are the most important factor in their company's economic success, it's easy to understand the importance of the human resource management planning process—the process by which organizations determine how to properly staff to meet business needs and customer demands. Despite the obvious need, many organizations do not have a strategic human resource planning process in place, with nearly a third of HR professionals saying their departments need to improve strategic alignment.

Introduction to strategic human resource planning
In order to improve the strategic alignment of staff and other resources, it's essential to understand how a strategic HR planning process works. At its most basic level, strategic human resource planning ensures adequate staffing to meet your organization's operational goals, matching the right people with the right skills at the right time.
It's important to ask where your organization stands currently and where it is going in order to remain flexible. Each company's plan will look slightly different depending on its current and future needs, but there is a basic structure that you can follow to ensure you're on the right track.
The strategic human resource planning process begins with an assessment of current staffing, including whether it fits the organization's needs, and then moves on to forecasting future staffing needs based on business goals. From there, you'll need to align your organization's strategy with employment planning

and implement the plan not only to hire new employees but also to retain and properly train the new hires—and your current employees—based on business changes.

1. Assess current HR capacity

The first step in the human resource planning process is to assess your current staff. Before making any moves to hire new employees for your organization, it's important to understand the talent you already have at your disposal. Develop a skills inventory for each of your current employees.

You can do this in a number of ways, such as asking employees to self-evaluate with a questionnaire, looking over past performance reviews, or using an approach that combines the two.

2. Forecast HR requirements

Once you have a full inventory of the resources you already have at your disposal, it's time to begin forecasting future needs. Will your company need to grow its human resources in number? Will you need to stick to your current staff but improve their productivity through efficiency or new skills training? Are there potential employees available in the marketplace?

It is important to assess both your company's demand for qualified employees and the supply of those employees either within the organization or outside of it. You'll need to carefully manage that supply and demand.

Demand forecasting

Demand forecasting is the detailed process of determining future human resources needs in terms of quantity—the number of employees needed—and quality—the caliber of talent required to meet the company's current and future needs.

Supply forecasting

Supply forecasting determines the current resources available to meet the demands. With your previous skills inventory, you'll know which employees in your organization are available to meet your current demand. You'll also want to look outside of the organization for potential hires that can meet the needs not fulfilled by employees already present in the organization.

Matching demand and supply

Matching the demand and supply is where the hiring process gets tricky—and where the rest of the human resources management planning process comes into place. You'll develop a plan to link your organization's demand for quality staff with the supply available in the market. You can achieve this by training current employees, hiring new employees, or combining the two approaches.

3. Develop talent strategies

After determining your company's staffing needs by assessing your current HR capacity and forecasting supply and demand, it's time to begin the process of developing and adding talent. Talent development is a crucial part of the strategic human resources management process.

Recruitment

In the recruitment phase of the talent development process, you begin the search for applicants that match the skills your company needs. This phase can involve posting on job websites, searching social networks like LinkedIn for qualified potential employees, and encouraging current employees to recommend people they know who might be a good fit.

Selection

Once you have connected with a pool of qualified applicants, conduct interviews and skills evaluations to determine the best fit for your organization. If you have properly forecasted supply and demand, you should have no trouble finding the right people for the right roles.

Hiring
Decide the final candidates for the open positions and extend offers.

Training and development
After hiring your new employees, bring them on board. Organize training to get them up to speed on your company's procedures. Encourage them to continue to develop their skills to fit your company's needs as they change. Find more ideas on how to develop your own employee onboarding process, and then get started with this onboarding timeline template.

Employee remuneration and benefits administration
Keep your current employees and new hires happy by offering competitive salary and benefit packages and by properly rewarding employees who go above and beyond. Retaining good employees will save your company a lot of time and money in the long run
.

Performance management
Institute regular performance reviews for all employees. Identify successes and areas of improvement. Keep employees performing well with incentives for good performance?

Employee relations
A strong company culture is integral in attracting top talent. Beyond that, make sure your company is maintaining a safe work environment for all, focusing on employee health, safety, and quality of work life.

4. Review and evaluate
Once your human resource management process plan has been in place for a set amount of time, you can evaluate whether the plan has helped the company to achieve its goals in factors like production, profit, employee retention, and employee satisfaction. If everything is running smoothly, continue with the plan, but if there are roadblocks along the way, you can always change up different aspects to better suit your company's needs.

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STRATEGIC MANPOWER PLANNING
</div>

SMP is a dynamic, proactive, ongoing process of systematically attracting, developing, and retaining employees to support organizational goals. SMP focuses specifically on proactive planning to meet anticipated and unanticipated vacancies for those classes of employees that serve as essential elements. One should identify such class of employees very judiciously that are most critical to organizational operation.

Successful SMP requires:

1. A team approach and must be viewed as a process and not a single act.

2. Must have a support of senior management.

3. Must align SMP program with the organization's culture, services and vision.

4. Must ensure that the most qualified candidates move into positions of greater responsibility.

5. Influence the decision makers on future appointments.

6. Requires the employee to take ownership of his own development.

Benefits of SMP

- 1.Guides developmental activities of key executives.

- Ensures continued management support.

- Avoids transition problems by having candidates who are fully prepared to assume positions of greater responsibility.

- Prevents premature promotions.

- Audits the current workforce and thereby influences development strategies.

- Identifies competencies needed by the current and future workforce.

- Supports the overall mission of the organization by improving and maximizing the human capital potential.

Strategies and tools for SMP

1. SMP may involve several approaches for developing a quality workforce.

2. Best approach should be based on utilizing existing employees and strengthening their ability for advancement.

3. Retention, development and recruitment are three effective strategies that can be incorporated into central SMP.

Some of the long and short-term strategies that may support the SMP process may include:

1. Retention
2. Induction
3. Flexible working schedule
4. Childcare program
5. Employee recognition program
6. Employee suggestion program
7. Transport facility
8. Employee engagement program

KEY STEPS FOR SMP

Demand forecast:
It is to develop the future workforce profile of staffing levels and competencies needed to meet future functional requirements. The demand forecast deals with the workforce that will be needed to accomplish future functional requirements. The result is a forecast of the type of competencies, numbers of

employees needed in the future. An important part of the demand analysis process is examining not only what work the organization will do in future, but also how that work will be performed.

Some possible considerations include:
How will jobs and workload change as a result of technological change?

What are the consequences of such changes?

How will jobs be designed?

Once the how and what of future work has been determined, the next step is to identify the competencies employees will need to carry out that work. Competencies are those KSAS that are critical to successful work accomplishment.

Competencies may be defined organizationally or on individual basis. An organizational Competency provides a means for pinpointing the most critical competencies for organizational success. These core competencies are embodied across the organization. Individual competencies are those that each employee bring to his function. If the individual competencies are not in accord with the organization, SMP will pinpoint these gaps.

The future manpower profile created through the demand forecast analysis will display a set of competencies that describes the ideal workforce of the future. This set of competencies provides management and staff with a common understanding of the skills that are important to the organization. It plays a key role in decisions on recruitment, development and performance management. Such competency model provides a clear idea of what the organization expects of successful employees.

2. Supply projection:
The Supply projection steps involve:

Developing the present workforce profile

Projecting that profile into the future

Several factors that can be included in the present workforce profile are:
Number of employees
Competencies
Occupation
Salary level
Age, gender, race
Educational level
Appointment status

Once the present workforce profile has been prepared, we can project it out into the future. This projection should accomplished by determining attrition rates.

3. Assessing competencies:
One relatively simple assessment method is to infer what the competencies are from the employees 'job specifications and position descriptions. Another way of determining actual competencies is to conduct an assessment of employees using a checklist of future desired competencies that have been identified through the demand forecast.

4. Gap analysis:

Gap analysis is the process of comparing the workforce demand forecast to the supply projection. The expected result is the identification of gaps and surpluses in staffing levels and competencies needed to carry out future functional requirements. A gap (projected supply is less than forecasted demand) indicates a future shortage of needed employees. Effective strategies such as- recruitment, training and succession planning will need to developed and implemented. A surplus (projected supply is greater than forecasted demand) indicates a future excess in number of employees. The surplus data may represent skills that will no longer be needed or at least not be needed in the same degree. Retraining, transfers or separation are a few examples of strategies to address surplus situations.

5. Strategy development:

Appropriate strategies should be developed to address gaps and surpluses to ensure that the organization will have appropriate staffing to meet its functional requirements. The final step in the manpower planning phase involves the development of strategies to address future gaps and surpluses.

Possible strategies	Tools
Job class modification	Use of a broadly described competency-based classification to get flexibility to recruit and mobilize.
Compensation flexibility	Use of broad band approach in compensation to get opportunity to enjoy flexibility for adjusting salaries. This facilitates retention of talent for higher incentives.
Succession planning	Use succession planning to address future gaps by systematically following promotion from within approach.
Customized training and retraining	Just in time training for new skills and knowledge developments for technological advancements. Retraining for those where job process changes.

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LIST OF LONG QUESTIONS:

1. Explain process of human resource planning in detail. What are various methods used in demand forecasting of human resource planning? Explain its importance.

2. Define the concept of manpower inventory. How the manpower inventory is prepared?

3. explain the methods of HR supply forecasting.

4. Explain the use oh Markov and cohort analysis in MPP.

5. What would be the impact of filling vacancies through internal promotions and job transfers even if the personnel are less qualified?

6. How can a resource-based approach ensure that staffing decisions in a company will produce a sustained competitive advantage?

7. An HR consulting firm requires highly creative people from diverse industry backgrounds to design and implement HR subsystems for the organization and to develop their workforce. In this context, would you recommend a core or a flexible workforce?

8. List the costs and benefits of having an internal staffing focus. Then list the cost and benefits of having an external staffing focus. What are the trades-offs between the two approaches?

9. Describe the steps to identify manpower gap and explain the measures to address manpower shortage.

10. Compare and contrast job description and job specification. How these are related to other HR functions?

11. Describe competency mapping, discuss the various steps involved in competency mapping.

12. Outline the process of SMP.

LIST OF SHORT QUESRIONS:

1. What is manpower planning?
2. What are the techniques of manpower planning?

3. What are the factors affecting manpower planning?

4. . What Are The Uses Of Job Analysis?

5. Write a business process approach to HRP.

6. Why is competency mapping significant?

7. Explain the significance of planning human resource.

8. Define macro and micro level manpower planning. Explain with examples.

9. Explain various elements for human resource planning.

10. Define HRP. Outline the objectives of human resource planning.

11. What do you mean by raw data?

12. List out the tools for SME.

13. How does HRIS helps in HR planning?

14. What are the advantages of HR outsourcing?

15. Write some of the mathematical models used in MPP.

16. What is Behavioral Interviewing?

17. Describe STAR approach.

18. State the difference between competence and competency.

19. Define premature promotion?

20. What is the difference between manpower planning and strategic manpower planning?

21. Elucidate job analysis and it's by products.

22. What do you understand by census analysis?

23. Describe various benefits of Strategic manpower planning.

24. Explain the recent trends in MPP.

25. Explain the guidelines for effective mpp.

Case Study -1

Strategic Staffing at Atlas Corporation Graphic

T-shirt company Atlas Corporation knows that executing its growth strategy depends on promoting from within. Atlas believes that its staffing activities must obtain talent able to do the job being filled and with the potential to advance into management. Because it tends to receive a large number of applications for its job openings, Atlas must also process a large number of applicants for every opening and wants to do so as efficiently as possible. Atlas decides that it wants to capitalize on the trend of

using social media to source and recruit. The company opens a Twitter account and starts Tweeting its job openings to people following the company (generally customers hoping for discount offers). It also posts its jobs on Monster.com, a large and popular job board, to try to maximize the number of applications. When job seekers apply for graphic design positions, they first complete an online application, and the information is sent to a database. A recruiter is immediately sent any applications that pass an initial competency screen. Within a few days, the recruiter e-mails the candidate requesting a sample portfolio of his or her work. Because of the size of the files, the portfolios are often rejected by recruiters' e-mail accounts and the candidate must fax the documents as Atlas has no cloud storage mechanism. Due to the large number of applications, those not passing the initial screen remain in the database unviewed and are not contacted in any way by the company. Applications passing the initial screen are invited to a telephone interview with a recruiter to assess basic job related competencies. The top 10 candidates are then invited to interview face-to-face with another recruiter to assess their fit with Atlas's culture and to better assess job-related skills and competencies. The top scoring 5 candidates are then invited to interview with the hiring manager, who makes the final decision on who should receive a job offer. A background check is then performed and if it is passed then a job offer is made. If a candidate declines the offer, the next highest scoring candidate receives a background check and a job offer until no acceptable finalists are left. Atlas evaluates the effectiveness of every staffing effort by evaluating the number of applications it received, the time it took to fill the position, and whether or not one of its first two job offers were accepted.

Questions

1. What is Atlas doing well with regard to staffing strategically?

2. How could Atlas staff its graphic designer positions more strategically?

3. What would you suggest Atlas do to further enhance the alignment between its staffing function and its need to promote from within?

Case Study-2
Integrating McDonald's Business, Human Resource, and Staffing Strategies
People are McDonald's most important asset. The company's success depends on the satisfaction of its customers, which begins with workers who have the attitudes and abilities required to work efficiently and provide good customer service. To execute its growth strategy, McDonald's has identified people as one of its three global corporate strategies. McDonald's claims that as an employer, it wants "to be the best employer in each community around the world." It also makes a "people promise" to its employees

that "we value you, your growth, and your Contributions." Its five "people principles" reflected by its human resource strategy are respect and recognition; values and leadership behaviors; competitive pay and benefits; learning, development, and personal growth; and ensuring that employees have the resources needed to get the job done. McDonald's has executed its operational excellence strategy well by tracking key indicators of product and service quality, speed, and accuracy. The company has also identified its people practices and approaches that substantially impact the firm's turnover, productivity, customer satisfaction, sales, and profitability. This has allowed it to develop a business model that emphasizes not only financial and operational factors but also people factors that improve the company's results by improving employee commitment, retention, productivity, and customer loyalty. Because its business strategy relies on providing customers quality, cleanliness, quick service, and value, McDonald's works hard at hiring people who want to excel in delivering outstanding service. Many of its restaurant employees are teenagers, and McDonald's is their first employer. The company tries to recruit and hire the best people, retain them by offering them ongoing training, and then promote from within to fill its managerial positions. To ensure that it is recruiting the right people, the company has identified important skills and behaviors that it looks for in applicants. McDonald's has found that the best way of hiring quality crew members is to advertise inside the restaurant and attract local people and/or friends of existing employees. McDonald's also recruits at local job centers and career fairs, using hiring material with a clear message targeted at its intended audience.

As McDonald's CEO Steve Easterbrook says, "If you get the people part right, the rest will follow."

Questions

1. How would you describe McDonald's business strategy?

What are the foundations of its competitive advantage (what are the sources of its success)?

2. How has McDonald's aligned its business, human resource, and staffing strategies?

3. What are some possible talent-related threats that could eat away at McDonald's competitive advantage? Would higher turnover or a tight labor market in which it is difficult to find talented people be a problem? What would you recommend the company do to maintain its competitive advantage over the next five years?