

# [The forecasting the manpower requirements: the management](https://assignbuster.com/the-forecasting-the-manpower-requirements-the-management/)

The process has gained importance in India with the increase in the size of business enterprises, complex production technology and the adoption of professional management technique.

#### 1.

#### Objectives of Human Resource Planning:

Human resources planning fulfils individual, organizational and national goals, but the ultimate mission or purpose is to relate future human resources to future enterprise needs so as to maximize the future return on investment in human resources. In effect, the main purpose is one of matching or fitting employee abilities to enterprise requirements, with an emphasis on future instead of present arrangements. The objectives may be laid down for a short term (i. e., for one year).

For example, the short-term objective may be to hire 25 persons from Scheduled Tribes or Backward Classes for purpose of training. The long-term objective may be to start a new industry, to expand the market, to produce a new product, to develop its own sales force rather than depend on distributors or to have minority group members eventually in position of middle and upper management cadres.

#### 2.

#### Estimating the Future Organizational Structure or Forecasting the Manpower Requirements:

The management must estimate the structure of the organization at a given point in time. For this estimate, the number and type of employees needed have to be determined. Many environmental factors affect this determination. They include business forecasts, expansion and growth, design and structural changes, management philosophy, Government policy, product and human skills mix, and competition. Forecasting provides the basic premises on which the manpower planning is built. In determining the requirements of human resources, the expected losses which are likely to occur through labour turnover—retirement, death, transfers, promotions, demotions, dismissals, disability, resignations, lay-offs and other separations — should be taken into account. It may be noted that for purposes of manpower planning, the main dimensions to be taken into consideration are: (i) The total number of personnel available, this could be obtained from the pay-rolls and other personnel records, such as the applications for employment.

(ii) The job-family, i. e., a detailed job-description for each position. (iii) Age distribution of the employees available in the present departments. (iv) Qualification and experience desired, such as a person with 5 years or 10 years experience in a particular branch/job. (v) The salary range etc.

#### 3. Auditing Human Resources

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

Some organizations do not compile a Skills Inventory but prepare Organization Charts to determine “ how many people, at what level, in what position and what kind of experience and training would be required to meet the objectives.” These charts show a person’s age, the number of years he has been in a particular position and his fitness for promotion. These Charts or Skills Inventories help in determining and evaluating the quantity and quality of the present human resources of an organization. They tell us ‘ what exists in stock’ and ‘ what is needed to be added to that stock’, taking into account the capability, qualifications, experience, skill, knowledge and promotional potential of employees. Some companies maintain a Manning Table, which lists all the jobs in the unit and the number of workers holding each job. Other companies also use Manpower Replacement Charts, which . show the present performance of each position holder and the promotional potential of possible replacements.

#### 4.

#### Job Analysis:

After having decided how many persons would be needed, it is necessary to prepare a job analysis, which records details of training, skills, qualifications, abilities, experience and responsibilities, etc., which are needed for a job. Job analysis includes the preparation of job descriptions and job specifications.

#### 5.

#### Developing a Human Resource Plan:

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