Manpower planning and forecasting needs essay sample

1. Decide what positions you'll have to fill through Manpower planning and forecasting. 2. Build a pool of candidates for these jobs by recruiting internal or external candidates. 3. Have candidates complete application forms and perhaps undergo an initial screening interview. 4. Use selection techniques like tests, background investigations and physical exams to identify viable candidates. 5. Decide who to make an offer to, by having the supervisor and perhaps others on the team to interview the candidates.

Planning and forecasting:

Employment or Manpower planning is the process of deciding what positions the firm will have to fill, and how to fill them. Manpower planning covers all future positions from maintenance clerk to CEO. However, most firms call the process of deciding how to fill company's most important executive jobs succession planning.

Employment planning should be an integral part of a firm's strategic and HR planning processes. Plans to enter new businesses, build new plants, or reduce costs all influence the types of positions the firm will need to fill. Thus, when JDS Uniphase, which designs, develops, and manufactures market products for the fiber optics market, decided to expand its Melbourne Florida, operations, its managers knew they'd have to expand its employment there from 140 people to almost 750. That meant they needed plans for who to hire, how to screen applicants, and when to put the plans into place.

One big question is whether to fill projected openings from within or from outside the firm. In other words, should you plan to fill positions with current employees or by recruiting from outside? Each option produces its own set of HR plans. Current employees may require training, development, and coaching before they're ready to fill new jobs. Going outside requires a decisions about what recruiting sources to use, among other things.

Like all good plans, management builds employment plans on basic assumptions about the future. Forecasting generates these assumptions. If you're planning for employment requirements, you'll usually need to forecast three things: Manpower needs, the supply of inside candidates, and the supply of outside candidates. We'll start with Manpower needs.

Forecasting Manpower Needs:

The most common Manpower planning approaches involve the use of simple techniques like ratio analysis or trend analysis to estimate staffing needs based on sales projections and historical sales to Manpower relationships.

The usual process is to forecast revenues first and then estimate the size of the staff required to achieve this sales volume. Here, HR managers use several techniques.

Trend Analysis: Trend analysis means studying variation in your firm's employment levels over the last few years. You might compute the number of employees in your firm at the end of each of the last five years, or perhaps the number in each subgroup (like sales, production, secretarial, and administrative) at the end of each of those years. The purpose is to identify trends that might continue into the future. Trend analysis can provide an initial estimate, but employment levels rarely depend just on the passage of time. Other factors like changes in sales volume and productivity also affect staffing needs.

Ratio analysis: Another approach, ratio analysis, means making forecasts based on the ratio between (1) some causal factor like sales volume and (2) the number of employees required (for instance number of sales people). For example, suppose as salesperson traditionally generates $500, 000 in sales. If the sales revenue to salespeople ration remains the same, you would require six new salespeople next year (each of whom produces an extra $500, 000) to produce an expected extra $3 million in sales.

Like trend analysis ratio analysis assumes that productivity remains about the same – for instance, that each salesperson can't be motivated to produce much more than $500, 000 in sales. If sales productivity were to increase or decrease, the ratio of sales to salespeople would change. A forecast based on historical ratios would then no longer be accurate.

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