



## HUMAN RESOURCE PLANNING IN MODERN BUSINESS ENVIRONMENT-AN OVERVIEW

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### ABSTRACT

#### MEANING

*Many business owners prepare a business plan before starting their business. However, small business owners often do not include human resource planning as part of their over-all business plan. They may start out with only a few employees or none at all. The success of a business is directly linked to the performance of those who work for that business. Underachievement can be a result of workplace failures. Because hiring the wrong people for right job, failing to anticipate fluctuations in hiring needs can be costly, it is important to put effort into human resource planning taking the time to forecast future hiring needs today will save time and money in the long-run. HR planning must be tied to the overall business plan. The process can start by assessing the current conditions and future goals of company. Perform these assessments regularly.*

#### DEFINITION

*“Human Resource planning is concerned with the flow of people into, through, and out of an organization”.*

*“Human Resource Planning is a both a process and set of plans. It is how organization accesses the future supply of and demand for human resources. In addition, an effective Human Resource plan also provides mechanisms to eliminate any gaps that may exist between supply and demand. Thus Human Resource planning determines the numbers and types of employees to be recruited in to the organization or phased out of it”.*

*“Human Resource Planning is the process of forecasting a firm's future demand for, and supply of, the right type of people in the right number.”*

#### SCOPE OF THE STUDY



*The daily demands and hectic lifestyle of business owners and managers often has an unfortunate by-product: human resource planning gets placed on the bottom of the list of things to get done. Failure to anticipate potential changes in workforce often leads to last minute “crisis mode” decision-making. Needless to say, quick fixes are no solution to long-term issues.*

To

*determine current and future human resource (HR) needs, a five step approach can be employed. Such steps include the following: determining business goals, undertaking environmental scans (including a workforce analysis, as well as internal and external scans), conducting gap analyses, setting HR priorities, and measuring, monitoring, and reporting on progress. Retention and attraction in today's changing labor market requires government to look at the key drivers that are important to employers and potential employees. Diversified and Challenging Work, An Attractive Compensation Package (not just salary), Advancement Opportunities, Access to Continuous Learning, Opportunities for Personal and Professional Growth, An Inclusive Workplace, Work-Life Balance, Ongoing Recognition of Contributions to the Organization. An integrated part of strategic management Human Resource Planning is variously called strategic manpower planning, or for employment planning.*

### **OBJECTIVE OF THE STUDY**

*Human Resource Planning is one of the important activities of the Human resource management especially. It helps to overcome the Human capital shortcoming. Keeping this in view*

- 1. The article is concentrated on the various methods adopted by the organization to overcome the future challenges especially in technical and skilled human resource.*
- 2. To find out the strategic planning implemented by the various company in modern environment.*
- 3. It also concentrated on the various methods implementing the training the work force and enhancing the skills of the existing employees.*

### **METHODOLOGY**

*The main source of data is collecting from Journals, Published articles and interviews with eminent personalities in human resource development planning. Through net and text books on*



*Human resource management, training people. Human Resources recruitment training organizations.*

**Key Words:** *Human Resource, demand, supply, Retention, compensation, Training, recruitment*

## **INTRODUCTION**

One of the most significant factors affecting planning involves the goals of the controlling interests in the organization. If planning and effective utilization of human resources are not a significant goal for the organization, employment planning will not be performed formally, or it will be done in a slipshod manner. Government policies are another important factor in planning. Requirements for equal employment opportunity and promotion call for more HR planning for special categories. Human Resource Planning is designed in tune with business strategy. In other words it should sub serve the interest of the organization, translating firm's goals and objectives into a consistent, integrated, and complimentary set of programmes and policies for managing people. The first part of human resource strategy is Human Resource Planning. All other activities such as employee hiring, training and development, remuneration, appraisal and labour relations are derived from Human resource planning.

## **NATURE OF HUMAN RESOURCE PLANNING**

Human Resource Planning is understood as the process of forecasting an organization's future demand for, and supply of, the right type of people in the right number. It is only after this that the Human Resource Management department can initiate the recruitment and selection process. It is a sub-system in the total organizational planning. Organizational planning includes managerial activities that set the company's objectives for future and determines the appropriate means for achieving them, and integrated part of strategic management Human Resource Planning is variously called strategic manpower planning, or for employment planning. Human Resource Planning is one of the important activities of the organizational human resource department, as it concentrates the organizational goal to meet the future needs.



### **Who Plans**

Traditionally Human Resource planning is usually initiated and managed by the HR department. However information is needed from all parts of the organization, and line managers must be involved in the planning process, with some planning methods requiring more manager involvement than others.

### **Who is planned For**

In designing a human planning system, there are several choices regarding whom to plan for. One choice is to plan at the aggregate level, for jobs or job families. Aggregate-level planning is typically used for jobs with multiple incumbents and for jobs at or below the middle-management level. Many large organizations plan for each job or job family, but this may not always be necessary. The alternative is to plan only for those jobs that logic or experience indicates are important or problematic. Many organizations assigned the work to the middle level management and top level management, very few organizations will give an opportunity for the low level management to pan, they will give the information for necessary action.

### **IMPORTANCE OF HUMAN RESOURCE PLANNING**

Human Resource Planning is the process of forecasting future demand for the organization. The following are the importance of the Human resource Planning.

- 1. Future Personal Needs:** Planning is significant as it helps determine future needs. Surplus or deficiency in staff strength is the result of the absence of or defective planning. All public sector enterprises find themselves over staffed. In most of the private sectors are under employed it means the few people has to perform the many works it leads to inefficiency at later stages.
- 2. Creating Highly Talented Personnel:** Jobs are becoming highly intellectual and incumbents are getting vastly professionalized with MBAs, Engineers and Technicians. The Human Resource Managers must use their ingenuity to attract and retain qualified and skilled personnel.
- 3. International Strategies:** Human Resource Planning facilitates international expansion strategies. The department's ability to fill key jobs with foreign nationals and re-assignment of employees from within or across national borders is a major challenge



facing international businesses. With the growing trend towards global operation, the need for Human Resource Planning more closely into the organization's strategic plans. Human Resource Planning will grow increasingly important as the process of meeting staffing needs from foreign countries and the attendant cultural, language, and developmental considerations grow complex. Without effective Human Resource Planning and subsequent attention to employee recruitment, selection, placement, development and career planning, the growing competition for foreign executives may lead to expensive and strategically-disruptive turnover among key decision makers.

4. **Foundation for Personnel Functions:** Human Resource Planning provides essential information for designing and implementing personnel functions, such as recruitment, selection, personal movement and training and development.
5. **Increasing Investments in Human Resources:** Another compelling reason for Human Resource Planning is the investment an organization makes in its human resources. Human assets, as opposed to physical assets, can increase in value. An employee who gradually develops skills and abilities becomes a more valuable resource. Because an organization makes investments in its personnel either through direct training or job assignments, it is important that employees are used effectively throughout their careers. An increasing number of executives are acknowledging that the quality of the work force can be responsible for significant differences in short-run and long-run performances.
6. **Resistance to Change and Move:** There is a growing resistance among employees to change and move. There is also a growing emphasis on self-evaluation and on evaluation of loyalty and dedication to the organization. All these changes are making it more difficult for organization to assume that it can move the employees around anywhere and anytime it wants, thus increasing the importance and necessity of planning ahead.
7. **Other Benefits:** The following are other benefits of Human Resource Planning.
  1. Upper management has a better view of the Human Resource dimension of business decision.



2. Personnel cost may be less because the management can anticipate imbalances before they become unmanageable and expensive.
3. More time is provided to locate talent.
4. Better opportunities exist to include women and minority groups in future growth plans.
5. Better planning of assignments to develop managers can be done and
6. Major and successful demands on local labor markets can be made.

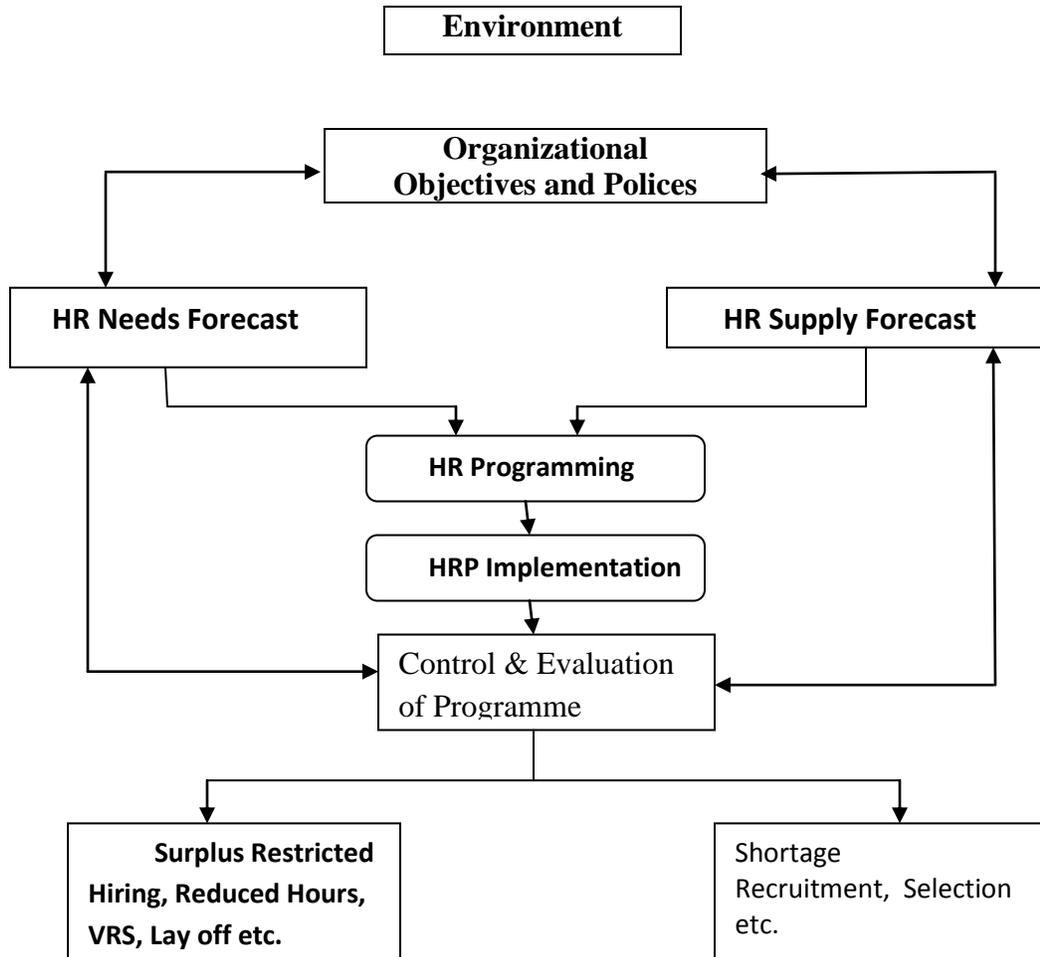
### **THE HUMAN RESOURCE PLANNING PROCESS**

Human Resource Planning essentially involves forecasting personnel needs, assessing personnel supply and matching demand supply factors through personnel-related programmes. The planning process is influenced by overall organizational objectives and the environment of business. The following steps are involved in planning process

**Environmental Scanning:** Environmental scanning refers to the systematic monitoring of the external forces influencing the organization. Managers monitor several forces but the but few are pertinent for Human Resource Planning.

- Economic factors, including general and regional conditions
- Technological changes, including automation.
- Demographic changes, including age, composition and literacy.
- Political and legislative issues, including laws and administrative rulings.
- Social concerns, including child care, and educational facilities and priorities.

By scanning the environment for changes that will affect an organization one can anticipate their impact and make adjustments early to cope up with the challenges.



**Organizational Objectives and Policies:** Human Resource plans need to be based on organizational objectives. In practice this implies that the objectives of the Human Resource plan must be derived from organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from the organizational objectives. Organizational objectives are defined by the top management and the role of Human Resource Planning is to sub serve the overall objectives by ensuring availability and utilization of human resource.

**Human Resource Demand Forecast:** Demand forecasting is the process of estimating the future quantity and quality of people required. The basis of the forecast must be the annual budget and long-term corporate plan, translated into activity levels for each function of



department. Demand forecasting must consider several factors both external and internal. There are several good reasons to conduct demand forecasting. It can help

- (i) Quantify the jobs necessary for producing a given number of goods, or offering a given amount of services.
- (ii) Determine what staff-mix is desirable in the future.
- (iii) Assess appropriate staffing levels in different parts of the organization so as to avoid unnecessary costs.
- (iv) Prevent shortage of people where and when they are needed most and
- (v) Monitor compliance with legal requirements with regard to reservation of jobs.

Forecasting techniques vary from simple to sophisticated ones, it may be stated that organizations generally follow more than one technique. The following are few techniques usually followed by the organizations for forecasting the Human Resource. Planning.

1. Managerial judgment
2. Ratio-trend analysis
3. Regression Analysis
4. Work study technique
5. Delphi technique
6. Flow models

#### **REQUISITES FOR SUCCESSFUL HUMAN RESOURCE PLANNING**

1. Human Resource Planning must be recognized as an integral part of corporate planning
2. Human Resource Planning responsibilities should be centralized in order to co-ordinate consultation between different management levels.
3. The time horizon of the plan must be long enough to permit any remedial action
4. The techniques of planning should be those best suited to the data available and the degree of accuracy required.
5. The data should be collected in such a way that it should be suitable to the organization.

## FACTORS AFFECTING HUMAN RESOURCE PLANNING



### Factors Affecting HRP

Human Resource Planning is influenced by several considerations. The more important of them are (i) type and strategy of organization (ii) organizational growth cycle and planning (iii) Environmental Uncertainties (iv) Time horizons (v) type and quality of forecasting (vi) nature of jobs being filled (vii) off-loading the work.

The type of the organization is an important consideration because it determines the production processes involved, number and type of staff needed, and the supervisory and managerial personnel required. Manufacturing organizations are more complex in this respect than those that render services. The stage of organization's growth can have considerable influence on Human Resource Planning. Small organizations in the embryonic stage may not have personnel planning. Need for planning is felt when the organization enters the growth stage. Human Resource forecasting becomes essential. Internal development of people also begins to receive attention in order to keep up with the growth. A mature organization experiences less flexibility and variability. Growth slows down. The workforce becomes old as few younger people are hired. In declining stage, Planning is done for layoff, retrenchment and retirement. Human Resource managers rarely have privilege of operating in a stable and predictable environment. Personnel planner's deal with environmental uncertainties by carefully formulating recruitment



Selection, and training and development policies and programmes. Personnel planners must consider the nature of jobs being filled in the organizations. Job vacancies arise because of separations, promotions and expansion strategies. It is easy to employ shop-floor workers, but a lot of sourcing is necessary for hiring managerial personnel. It is easy to employ shop-floor workers, but a lot of sourcing is necessary for hiring managerial personnel it is, therefore necessary for the personnel department to anticipate vacancies, as far in advance as possible, to provide sufficient lead time to ensure that suitable candidates are recruited. Several organizations outsource their work to outside parties either in the form of such-contracting or ancillarisation.

### **BARRIERS TO HUMAN RESOURCE PLANNING**

Human Resource Planners face significant barriers while formulating an Human Resource

Planning in any manufacturing concern or service Organizations. The following are few barriers

1. Many people argued on this saying when needed offer attractive packages of benefits to them to quit when you find them in surplus. When an elaborate and time-consuming planning for human resources?
2. Human Resourced practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the human resource practitioners when enmeshed with organizational plan, might make the overall strategic plan itself defective.
3. Human Resource planning is a difficult activity to be performed in the organization. Sometimes the desired quality people may not available or job specification itself become difficult to formulate.
4. Human Resource information often is incompatible with the information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting often to the exclusion of other types of information. Financial forecasting takes precedence over Human Resource Planning.
5. Conflicts may exist between short-term and long-term Human Resource needs. For example, there arises a conflict between the pressure to get the work done on time and



long-term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that Human Resource needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. These managers fail to recognize that by resorting to hiring or promoting depending on short-term needs alone, long-term issues are neglected.

6. There is conflict between quantitative approaches to Human Resource Planning. Some people view HRP as a numbers game designed to track the flow of people across the departments. These people take a strictly quantitative approach to planning. Others take a qualitative approach and focus on individual employee concerns such as promotability and career development. Best results would accrue if there is a balance between the quantitative and qualitative approaches.
7. Non-involvement of operating managers renders Human Resource Planning ineffective. Human Resource Planning is not strictly an Human Resource department function. Successful planning needs a co-ordinate effort on the part of operating managers and Human Resource personnel

## CONCLUSION

Human resource planning is one of the important activities in any type of the organization. It requires a overall knowledge of the Organization, and human resource planning process. It is very difficult to follow the various HR planning process in the organization as the process will have to change according to the situation place, time and type of the personnel required to employee. It is very difficult to say what type of the process is suitable to what type of the organization. The effectiveness of the planning is depending upon the qualitative work of the people whom we employee. There is various hurdles in implementation and finding the right person for the right job. Many times the various department people to whom the requirement is there may not involved in the selection process in such cased it leads a in effective selection i.e. wrong person for the right job and inefficiency in work place, that shows a failure of human resource planning as a whole. If the co-ordination will get from the various departments then the human resource planning can be implemented effectively.



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