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Module - 3 Human Elements of Functioning Organizations Lecture - 33 Elements of Human Resources Planning

We are now prepared to take a look in an integrated manner on the planning processes which effect human elements in an organisation, because after having looked at recruitment, selection, skill formation, redeployment has amongst the 4 pillars which hold human resources. And just in case, you are not very clear, let me capture them for you; recruitment, selection, skill formation, redeployment, and having breathed life into these 4 pillars through concerns of team development, leadership development, and focusing it on motivation and human action.

As we start the winding up of this module, in fact this entire presentation, there are 2 integrative perspectives which need to be bought into play. One integrative perspective is of planning. How does planning affect human recourses activity, and how do you plan? Obviously, it will be unrealistic to explain in a limited timeframe, all the techniques of planning. Because they cannot be communicated without due exercises even a selection of the planning techniques will have to be explained in terms of concepts. And no exercises can be undertaken to develop perceptions over their (()) over their effectiveness.

So, selection is a two levels. One is the elements of planning, which need to be communicated to the principles of those elements and how it is done? The domain that it will cover would be of course, recruitment, selection, skill formation, redeployment. And we have added one more employee benefits, employee's welfare. Because progressively it is being realised that human beings cannot be treated with preconceived notions.

But they need to be nurtured. Indeed one of the ways of nurturing them on the job is to assure reasonable conditions of taking care of them in a post employment phase. See employee welfare is progressively an integral part of the package of the elements of human resources planning. We intend to take a bird's eye view of this entire domain which is really big enough to be a course in its own right. But that is not all, organisations no less

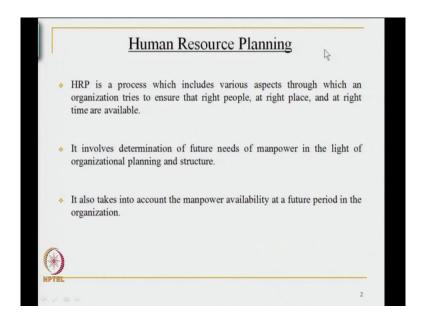
than human habitats or indeed transportation networks are subject to laws of the land. Organisations have to submit to the laws of the land.

So, no study of management can really be complete without some understanding of the industrial laws. And if anyone believes he has a complete bird's eye view of management as a domain without understanding the industrial laws which operate. Well, then he has only to enter the job market to realise the limitations of his understanding. And if you are going to talk of industrial law in the Indian environment then you are; obviously, going to talk of Indian industrial law. And yet like techniques of planning, no treatment of law can be with reference to all the clauses, sub clauses, acts, amendments, caveats, judgements presidencies.

After all law is a specialisation in its own right. And if one is interested in Indian industrial law, it is only to see for at present level of our work. What is the correlation of the legal component to the managerial component? And both human recourses planning and Indian industrial law will lead to con committed considerations of handing industrial relations. Because everything in an organisation, when it comes to scalar principles and when it comes to dealing with the actual operational ground conditions has a legal element.

This legal element is very much integral part of industrial relations. And industrial relations have to be understood, if you are to operate in the domain of organisation and human resource planning. This is to prepare you to receive the inputs which are coming your way in 2 clusters; one cluster of elements of human resource planning, whose constituent components I have just explained. And the other cluster of Indian industrial law and industrial relations with that we come to a conclusion of these presentations. And presumably, you will be prepared in terms of your competencies to start understanding the domain a little better. In fact, source some reading and discover your aptitude.

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So, to begin at the beginning as the expression goes, what is human resource planning? Human resources planning that are HRP forgive me for using an acronym, but nothing appears scientific these days unless there is an acronym attached to it. In fact, the acronyms have become, so endemic that the same acronyms are used in totally different situations.

And people read a meaning of the acronyms depending upon what environment they live in and them. A large number of stories of the rather paradoxical situation that arose because acronyms lead to 2 different meanings for 2 different people, but that is another story. We have no time to go and in this context here. I will use the HRP and explain what is HRP? Which stand really for human resources planning states that, it is process which includes various aspects through which an organisation tries to ensure that right people, at the right place, and at the right time are available?

Now, that is the definition for planning anywhere, any day, anytime. You have certainly heard of information systems. And information technology is having the responsibility of having the right information at the right place, at the right time, and given the domain of concerns of information systems and information technology. They do go ahead to add with ability to access it, and to retrieve it, as and when required.

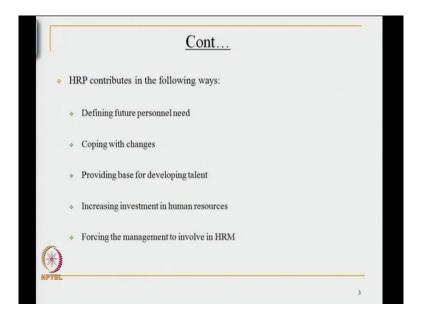
Now, be that as it may planning remains planning be it applied to human resources or information. Planning involves determination of a future need, and in this case man power,

it could have been need for anything. If it was applied to information, it would be future needs of information. If it was manufacturing, it would be future needs of manufacturing. If it was finance, it would be future needs of finance. This word goes on changing, but identification determination of future needs remains the constant work.

So, please note that we are looking at application of planning processes to human resources. So, wherever we apply the details of human resources, it does not mean that that is the definition of planning no. The definition of planning remains constant, it is the application which changes. I will repeat that for the sake of emphasis that definition of planning remains constant, it is the application which changes. And in this case, we are concerned with the application of the principles of planning to the domain of human resources, which is why we say, it involves the determination of future needs of man power and; obviously, the context is of organisational domain, where also it will be a subset, needs of man power will be a subset of organisational planning and organisation structure.

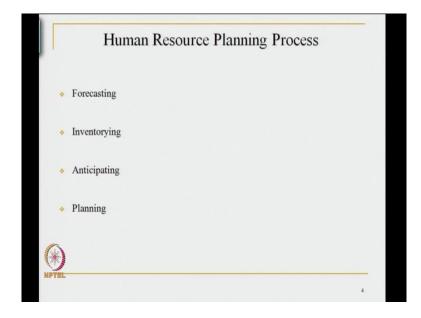
So, in the overall schema of organisational planning needs of man power are identified that is the sequence. In the overall need framework of organisational planning, the needs of man power are identified. And that is how; we will go through human resources planning. It also takes into account the man power availability at a future period in the organisation, and leads to man power forecasting. And other details which fall into perspective as we go along.

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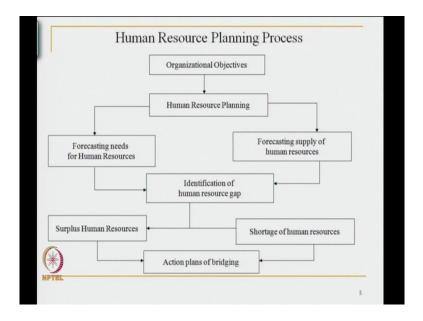
HRP contributes in the following ways. A simple exercise to show that planning is not a rarefied abstraction. But planning is an actual need, which is an operational requirement of operating organisations. If you do not have the planning processes in position, you will not be able to able to define the future personal need. If you do not define the future personal need, then how do you recruit? How do you select? And obviously, you have to cope with change. To cope with change, you need skill formation, with to cope with for change, you need redeployment, and we have discussed all that. But here is the focus for planning for it. You have to provide a base for developing talent. And in what direction do you develop talent, if you do not have a plan? All these may require increasing investment in human resources or forcing the management to involve in human resources management through the route of human resources planning.

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Therefore, the human resources planning process requires forecasting, inventorising, anticipating and planning. So, from forecasting to inventor; inventorying from inventorying; anticipating from anticipating; you plan how to respond through an act of approximation that which has been forecast and anticipated.

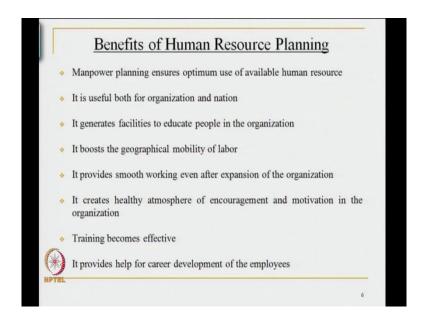
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This is putting in a diagrammatic form. Human resources planning processes which flow from organisational objectives through human resources planning to forecasting needs of human resources, to forecasting supply of human resources, to identifying information resources gaps. To the seeing whether there is the surplus of human resources or whether there is the shortage of human resources. And then an action plan for bridging.

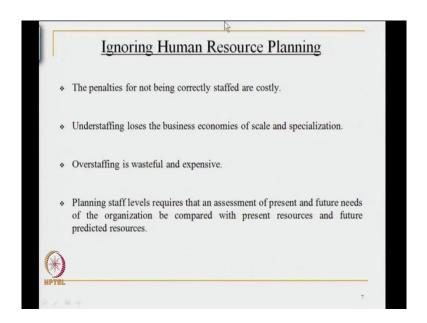
A simple flow diagram overarching, but mapping the different stages I think you need to look at this carefully to understand the flows. To travel through theses boxes seamlessly requires a certain familiarity with the method, a certain familiarity with the processes, and certain insights into the dynamics of organisations.

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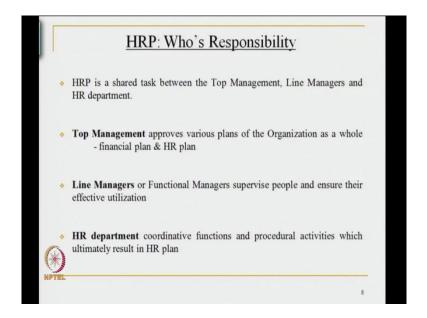
For the doubting promises that is always useful to list the benefits of an act. Because there is always the glib possibility of saying, that this is such a self evident exercise, that why does it need to be taken scientifically? One can do this instinctively no. There are tangible deliverables of the planning process. And this slide tries to list some of them you are invited to go through it. From this 8 fold listing the deliverables of human resource planning are fairly obvious. And it is my case that it will progressively fall in place as the description goes along.

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Now, there are different ways of convincing the people, who are non believers as it were. Listing the advantages of human resources planning may not get any converse, but if you see the dangers of not planning. You may be a little more motivated to understand, why planning is necessary? The simplest understaffing loses the business economies of scale and specialisation. These losses, the result of losing the business out of understaffing is huge. Overstaffing is wasteful and expensive. So, if understaffing looses the business in terms of scale and specialisation. And overstaffing leads to wasteful and expensive situations. Planning staff level requires an assessment of the present and the future needs. Enhance the conclusion that penalties for not correctly staffing are costly.

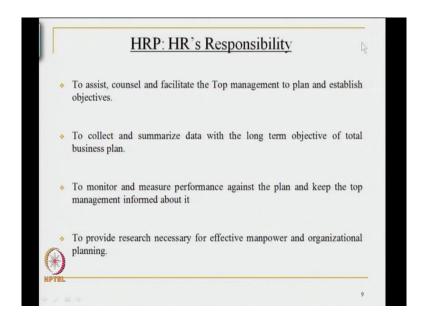
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Therefore, if planning is such a need, the question arises, whose monkey is it? And who is responsible for HRP? HRP is a shared task between the top management, the line managers and the HR department. It is not the sole responsibility of HR department. In fact, if it is taken as the sole responsibility of the HR department, it lacks an integrated perspective.

Top management approves various plans of the organisation as a whole. The financial plan and the HR plan. The line manager or the functional manager supervises people. And ensure their effective utilisation, and the HR department looks at the functions and the procedural activities, which ultimately result in HR plan. This kind of a situation focuses upon a very simple proposition, which is important to underscore that HR planning HRP is a team work.

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What is the HR's responsibility in HRP? HR that is of human resources department is meant to assist council, and facilitate the top management, to plan and establish objectives. The support which HR offers in this direction is technical and methodological. Of course, if it has outstanding managers, see it will also be contributing at a conceptual level. But that is a matter of optional extra, and that is a matter which is content specific. It is not the integral part of the role, it is a role extension.

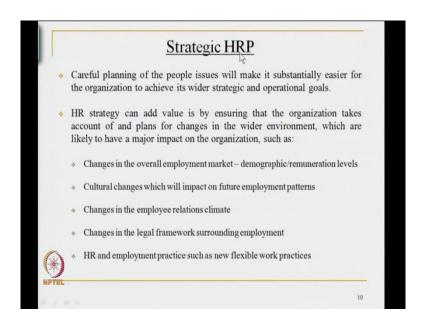
It is HR responsibility to collect, and summarize data with long the term objectives of total business plan. And collection summarisation of data is a skilled activity. And it is autonomous activity either; it has to be a part of the total business plan. To monitor and measure performance against the plan, and keep the top management informed about it is also an HR activity. Therefore, monitoring and measuring performance against plan. Hence HR has the additional responsibility to everything else that is expected of them to administer the performance of appraisal performance management system. Therefore, the rather unfortunate perceptions amongst several people who compose the supply side of the working groups.

Especially in the age bracket of 20 to 30 that for a good career for a career central to an organisation; you either need to get into marketing or finance or IT is the way up for a career. And if you get into HR you are stuck is something which can be only routed in a

lack of understanding of what HR is? The truth is the HR activity is the kingpin, and the master determinant of all organisational operations.

Because, what it an organisational operation? Unless there is a planning for the skills, and appraisal of the results, and both of these have to be carried out under the umbrella of the human resources function. Nobody needs to b converted to anything, but everyone affected needs to understand. And hence the concluding observation that to provide research necessary for effective manpower, and organisational planning is HR responsibility, if all this is true.

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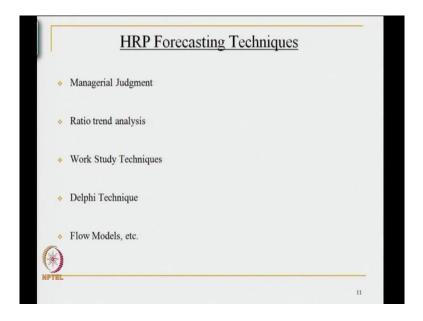


Then, there is such a thing as a strategic HRP. And strategic HRP will take far too long to explain again that kind of time which we may not have. So, I strongly suggest you read the slide which is being projected. This slide should be relatively easy to understand, because it builds upon concepts, and ideas which have already been shared. But if you go through the sub points under the head HR strategy; you will notice that it consistently talks of changes four times it talks of changes, cultural changes, changes, changes, and indeed even the final one has an overtone of change.

So, essentially HR focuses on change; change in the overall employment market; changes which have to touch upon culture; changes in the employee relationships; changes in the legal framework. And therefore, HR essentially is put in a very dynamic mode, and in a

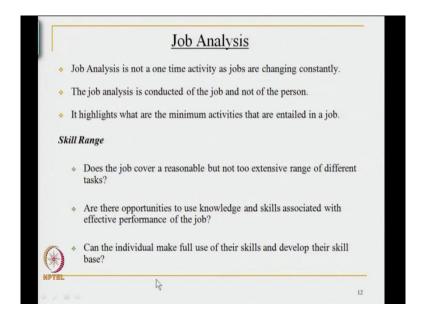
situation which is dynamically vibrant. And to be dynamically vibrant it needs only the top talent to deal with it.

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There is n number of HRP forecasting techniques. First and foremost is of course, managerial judgement. There is never a substitute for managerial judgement; there is a ration trend analysis; there is the work study technique; there are the Delphi techniques; there are the flow models. It is assumed that when you come to HR; you are familiar with these techniques from your own domain of specialisation. Because please remember, management builds on basic competency which people have acquired somewhere, during the career both in terms of disciplinary domain or in terms of their general equipment.

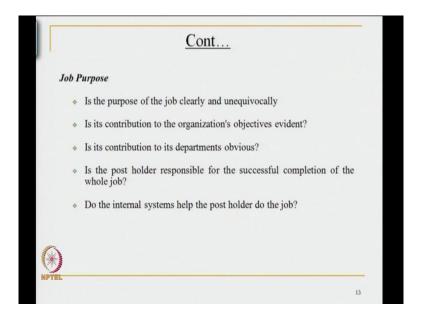
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Job analysis is yet another technique, and I had cautioned you that HR planning will take you through job analysis. Job analysis is not one time activity as jobs are again changing constantly. Job analysis is conducted of the job and not of the person. This is a very important thing to keep in mind, just as much as performance appraisal is not of the person, but appraisal of the way that task was carried out. So, I find it necessary to emphasise that the job analysis is conducted of the job and not of the person. It highlights what are the minimum activities that are contained in a job? It is the responsibility of HR therefore, to carry out a job analysis as a part of manpower planning effort.

There are certain questions which HR is bound to ask to map the skill range. The skill range would be does the job cover a reason. But not too expensive range of different tasks, very important as usual a balancing act between the extremes of overspecialisation, and wide spectrums of infinite multitasking. Job analysis will also ask are there are opportunities to using knowledge, and skills associated with the effective performance of the job. In other words what is the space for action? Can the individual make the full use of skill and develop their skill base. Because job performance is a subset of individual potential, but nothing can take you away from answering the core issue in planning what is the purpose.

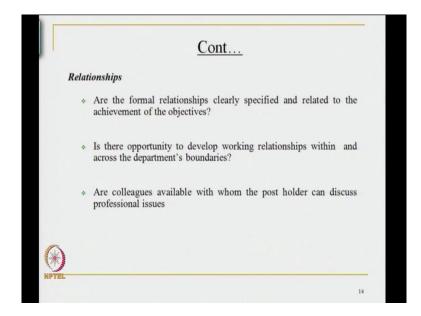
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In this case, purpose being applied to job. Job analysis must require defining of the job purpose. And hence the question will be asked is the purpose of the job clearly, and unequivocally stated. Is its contribution to the organisations objectives evident? Is its contribution to the department? Obvious; if the job purpose is clear and unequivocally. If its contribution to organisation objective is clear. If its contribution to the departmental objectives is clear.

And if the post holder is responsible for the successful completion of the whole job, then comes the whole important question. Does the internal system help the post holder to do the job? Job performance is therefore, not an autonomous variable. Job performance is routed in systems, procedure, effectiveness, and the resources made available to the individual. Otherwise it is a no-go situation, an integrated perspective is therefore, really called for

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One has to also focus on the relationships. Are the formal relationships clearly specified and related to the achievement of the objectives? Requiring very often; information audit, which we have already referred to in the past. Requiring and understanding of the reporting lines which as organisations grow more and more complex can at time be in a dual relationship.

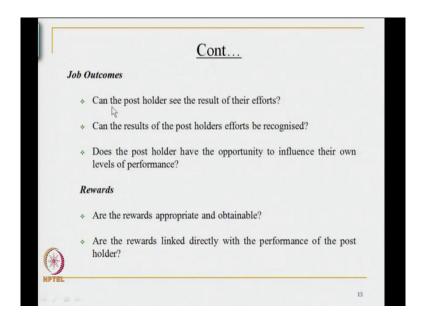
And other trend relationships cognisable, comprehensible, is there opportunity to develop the working relationships within and across department boundaries? And finally, are colleagues available with whom the post holder can discuss professional issues. And this is becoming a progressively illusive issue, availability of colleagues. Multiple elements affect the availability of colleagues. Huge pressures of multiple tasks, pressures of being spread out. So, thin that somewhere on down the line one has overlooked the need to pick up the necessary skills for task discharge.

You may be asked to recruit, without knowing how to recruit? Because you are a good finance man, because you are a good IT man, it does not mean that you know how to recruit? Travel; this has been referred to earlier on availability of colleagues is impaired by travel, there is too much of it. In fact, some people have recommended that before any travel is concerned or undertaken, it should not be an approval form which has to be filled out. Or verbal approval sort; you need to explain,

why it cannot be done without travelling? People battles have reached a stage, where people must be positively discouraged from travelling.

And it is not just the cost element, it is not just the travel element of having colleagues in different time zones to coordinate, it is much more. The shear fatigue of travel, and the burn out which it causes. An above all, the time losses which can be called like in the electrical engineering manner, there are transmission losses, travel causes time losses of transition. You cannot run relationships, unless callings are available with whom the post holder can discuss professional issues.

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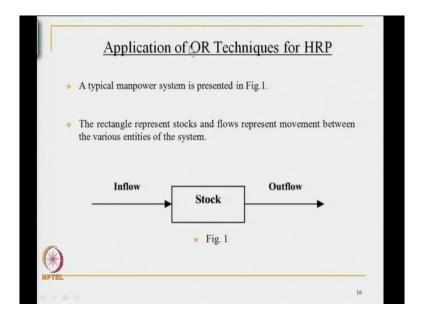


These things can be sorted out by talking of job outcomes. Because can the post holders see the result of their efforts. When they see the results of their efforts; you are encouraged. If you see the result of the post holder efforts being recognised; you are still further encouraged. Which is why many people choose their organisations to be of size where it is possible to see the results of their efforts? Does the post holder have the opportunity to influence their own levels of performance?

A key issue in keeping people motified to be motivated. You should be you should have the opportunity to influence your own levels of performance; you should be able to requisition resources; you should be able to requisition networks and information. A lot of organisations permit this, some do not; this has to be thought through. Rewards; are rewards appropriate and obtainable? Are rewards linked directly with the performance of

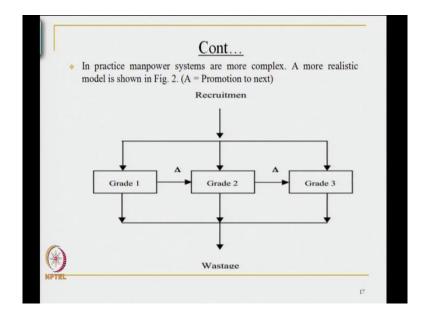
the post holder? Important generic questions which surface over and over again. So, but comes to techniques and one of the techniques.

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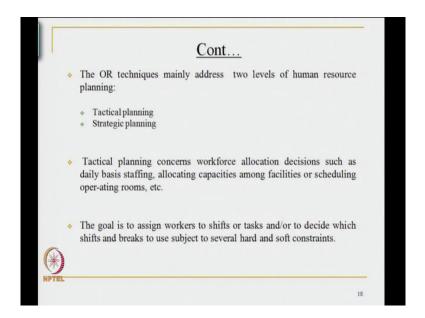
Which is very common in application of the HRP is the OR techniques. A typical manpower system is presented in figure 1. The rectangle represents stocks and flows represent the movement across various entities of the system. A very simple diagram of inflow stock, and outflow the throughput is the critical situation, but walk through.

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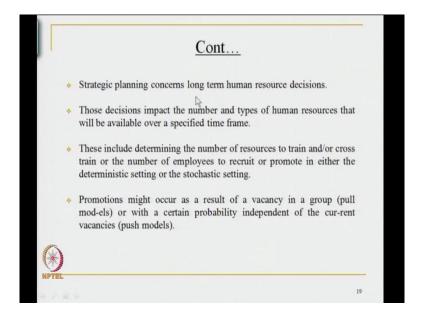
These slides quickly and carefully, and you would know what is being said? In practice manpower systems are more complex A, more realistic model is shown in figure 2. A is promotion to the next level. So, between recruitment, and wastage there are the issues of promotion and OR techniques come a helpful there.

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The OR techniques mainly address 2 levels of human resources planning; tactical planning and strategic planning. Tactical planning concerns workforce allocation decisions such as daily basis staffing, allocating capacities amongst facilities or scheduling operating rooms. The goal is to assign the workers to shifts or tasks and or to decide which shifts and breaks to use subject to several hard and soft constraints. OR techniques are extremely useful there.

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Strategic planning concerns long terms human resources decisions. You cannot have strategic planning without accounting and factoring human resources decisions. Those decisions impact the number and types of human resources that will be available over a specified time frame. Please note these decisions impact number and types of human resources. These include determining the number of resources to train and or across the employees to recruit to promote. And finally, reference has to be to promotions. Promotions cannot be at random. And somewhere, it has to match the vacancies. The vacancies have to be planned with the tasks available in an variable business climate. Both the volumes and the stability of the production line requirements will need to be monitored.

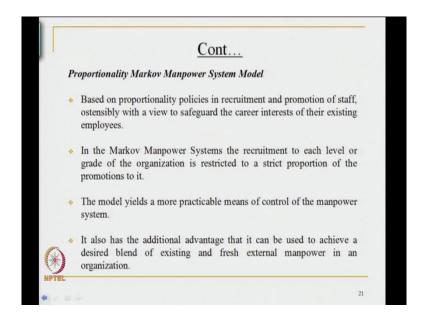
So, a certain probability dependent of the current vacancies will create a push model whereas, certain vacancies regroup will be a factor of the pull model. So, promotions might occur as a result of a vacancy in a group of a pull model or with a certain probability it dependent of the current vacancies. Push model whether it is push or pull I have tried to draw your attention to the need of requiring an assessment of the business proposition, and the kind of market which exists.

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Stochastic Models with Grading System in Manpower Planning Suppose we introduce two grades of marketing personnel in the organization, the expected time to recruitment is obtained allowing for the mobility of manpower from one category to the other where there is more of depletion. The grade represents technical and nontechnical personnel. Suppose organization faces the shortage of technical personal that it can't be compensated/shared by some of non-technical personnel at certain period because the organization is not to recruit immediately. The shortage of manpower in higher grades can be compensated by the lower grades having some knowledge about other grades and the viceversa to some extent.

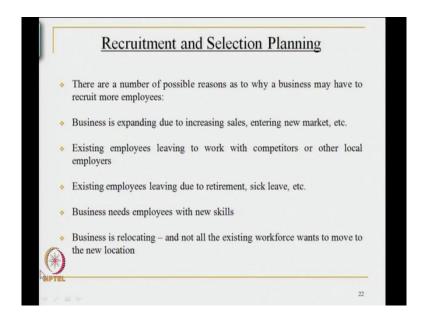
Then there is the stochastic model with the grading system in manpower planning. Please read this. So, when it comes to volumes in domains such as marketing or the technical, and the non technical relationships of numbers. Shortages and requirements, knowledge of where talent is available and in what measures and how the flow can be organised would require application of certain OR techniques just as.

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There is a space for the stochastic models there is a space for Markov models. The purpose is to achieve a blend between the existing manpower and fresh manpower. The purpose is to understand how well tested techniques can be used for application for situations in a flux and vagueness to create a credible perspective of approximation.

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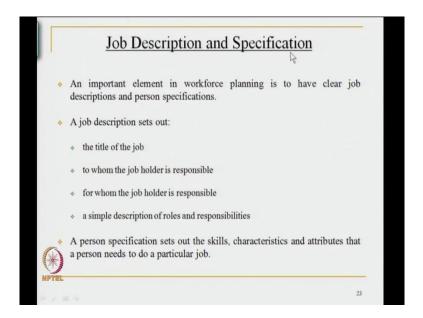
From this will emerge recruitment and a selection plan? You have already looked at the recruitment and the selection process. We are here going to talk of the planning efforts to this process. There are number of possible reasons as to why business may have to recruit more employees? Planning processes have to identify them. Business is expanding due to increasing sales, entering new markets, planning has to anticipate them, existing employee leave to work with competition or other local employees.

Planning needs to have a substitute plan for them, existing employees leave due to certain retirements, sick leave has this been anticipated. Have the attrition arising out of retirement made a conscious process through various schemes of voluntary retirement plans an others. Has there been sufficient raising or lowering of the age of retirement. Have patents been read into sick leave.

Business needs employees with new skills. Have the new skills been pact that is the responsibility of planning. Business in relocating, and not all existing workforce wants to move to the new location. What is the extent of business planning has to respond in each

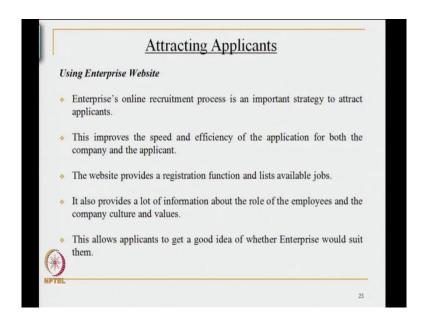
of these 6 areas? I will walk you through the role profile of planning, because that is what would emerge, if you have specific job descriptions and specifications.

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We have discussed job descriptions in the past. We do not want to visit over and over again, but in terms of the plan one has to be clear of the title, reporting patterns responsibilities flows. In terms of to whom is the job holder is responsible? For whom the job holder is responsible?

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Now this leads to a situation, where we will need to use job description as a tool of manpower planning. The result would be making sure; you are an attractive of preposition to the applicants. And that is how the flow of response to the manpower needs can be planned, but more of that will come shortly.

Thank you for the present.