

Nature and Concept of HRM: Human Resource Management

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Human resources means the people. However, different management experts have defined human resources differently. For example, Michael J. Jucius has defined human resources as “a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components”.

According to Leon C. Megginson “From the national point of view human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population; whereas from the view-point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees”.

In simple words, HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved. Let us also consider some important definitions of HRM.

The National Institute of Personnel Management (NIPM) of India has defined human resource/personnel management as “that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organisation of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success”.

According to Decenzo and Robbins “HRM is concerned with the people dimension in management. Since every organisation is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organisation are essential to achieving organisational objectives. This is true, regardless of the type of organisation-government, business, education, health, recreation, or social action”.

Thus, HRM can be defined as a process of procuring, developing and maintaining competent human resources in the organisation so that the goals of an organisation are achieved in an effective and efficient manner. In short, HRM is an art of managing people at work in such a manner that they give their best to the organisation for achieving its set goals.

- The first definition of HRM is that it is the process of managing people in organizations in a structured and thorough manner. This covers the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company to round off the activities. This is the traditional definition of HRM which leads some experts to define it as a modern version of the Personnel Management function that was used earlier.
- Personnel management is essentially “workforce” centered whereas human resource management is “resource” centered. The key difference is HRM in recent times is about fulfilling management objectives of providing and deploying people and a greater emphasis on planning, monitoring and control.

Objectives of HRM

The primary objective of HRM is to ensure the availability of right people for right jobs so as the organisational goals are achieved effectively.

1. To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.
2. To utilize the available human resources effectively.
3. To increase to the fullest the employee’s job satisfaction and self-actualisation.
4. To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.
5. To help maintain ethical policies and behaviour inside and outside the organisation.
6. To establish and maintain cordial relations between employees and management.
7. To reconcile individual/group goals with organisational goals.

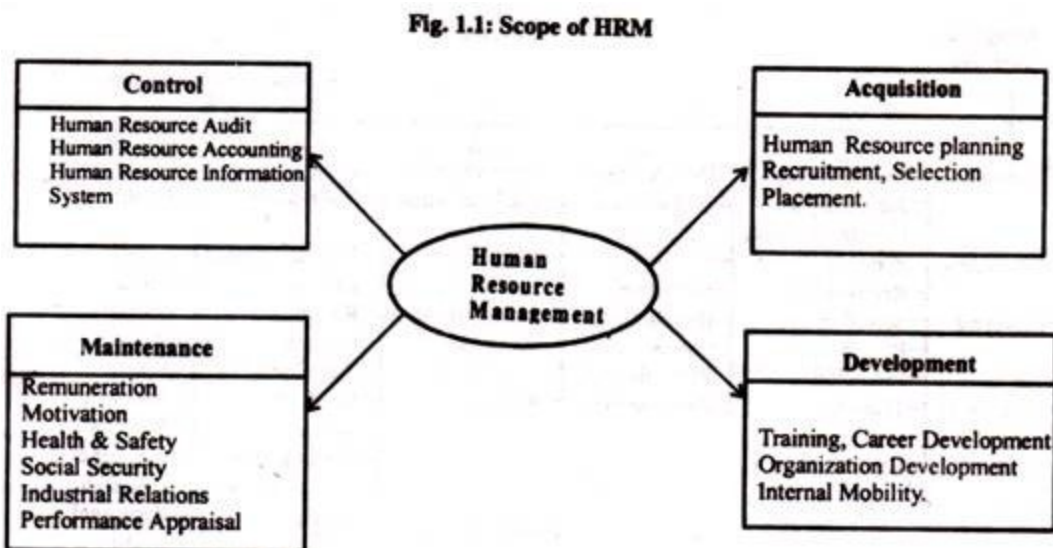
Werther and Davis have classified the objectives of HRM into four categories as shown in table 1.2.

HRM Objectives	Supporting Functions
1. Societal Objectives	1. Legal compliance 2. Benefits 3. Union-management relations
2. Organisational Objectives	1. Human resource planning 2. Employee relations 3. Selection 4. Training and development 5. Appraisal 6. Placement 7. Assessment
3. Functional Objectives	1. Appraisal 2. Placement 3. Assessment
4. Personal Objectives	1. Training and development 2. Appraisal 3. Placement 4. Compensation 5. Assessment

Table 1.2: HRM Objectives and Functions:

Scope of HRM

The scope of HRM is, indeed, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organization. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organization (see figure 1.1). The same forms the subject matter of HRM. As the subsequent pages unfold, all these are discussed, in detail, in seriatim.



The National Institute of personnel Management, Calcutta has specified the scope of HRM as follows:

1. The Labour or Personnel Aspect

This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

2. Welfare Aspect

It deals with working conditions, and amenities such as canteen, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relations Aspects

This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

Functions of HRM

We have already defined HRM. The definition of HRM is based on what managers do. The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

(1) Managerial functions, and

(2) Operative functions

These are discussed in turn.

(1) Managerial Functions

Planning

Planning is a predetermined course of actions. It is a process of determining the organizational goals and formulation of policies and programmed for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

Organizing

Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

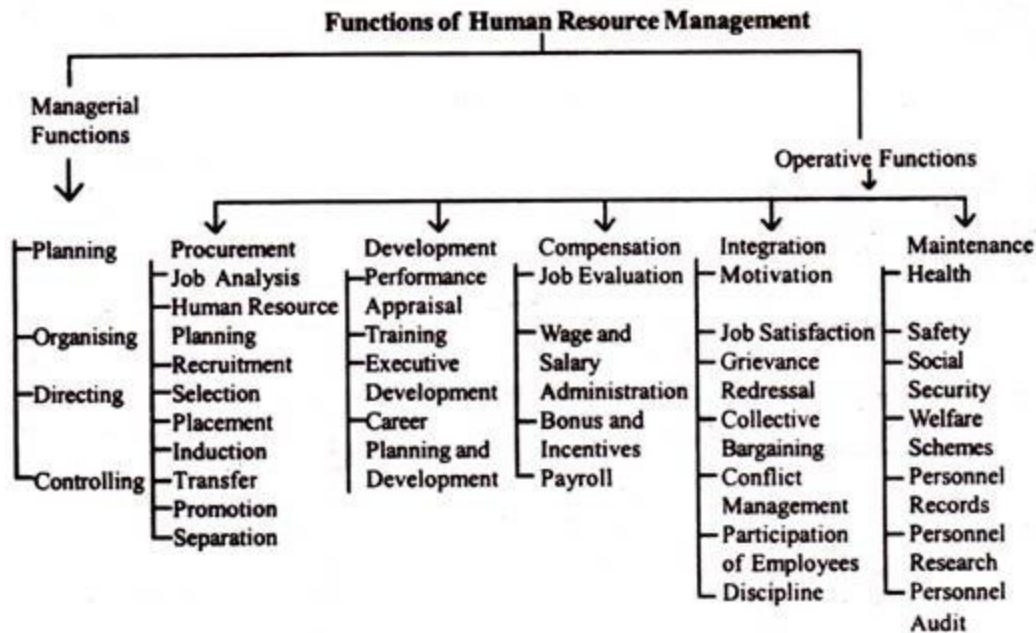


Fig. 1.2 : Functions of Human Resource Management

Staffing

TOs is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

Directing/Leading

Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale motivating subordinates etc. for achieving the goals of the organization.

Controlling

It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

(2) Operative Functions

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM.

Procurement

It involves procuring the right kind of people in appropriate number to be placed in the organisation. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

Development

This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

Compensation

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures equitable and fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

Maintenance:

It is concerned with protecting and promoting employees while at work. For this purpose virus benefits such as housing, medical, educational, transport facilities, etc. are provided to the employees. Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

It is important to note that the managerial and operative functions of HRM are performed in conjunction with each other in an organisation, be large or small organisations. Having discussed the scope and functions of HRM, now it seems pertinent to delineate the HRM scenario in India.

Importance and Objectives of HRM

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Human resources are the valuable assets of the corporate bodies. They are their strength. To face the new challenges on the fronts of knowledge, technology and changing trends in global economy needs effective human resource management. Significance of HRM can be seen in three contexts: organizational, social and professional.

1. Organization Significance

HRM is of vital importance to the individual organization as a means for achieving their objectives.

It contributes to the achievement of organizational objectives in the following ways:

- (i) Good human resource practice can help in attracting and retaining the best people in the organization.
- (ii) Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
- (iii) Securing willing cooperation of employees through motivation, participation, grievance handling, etc.
- (iv) Effective utilization of available human resources.
- (v) Ensuring that enterprise will have in future a team of competent and dedicated employees.

2. Social Significance

Social significance of HRM lies in the need satisfaction of personnel in the organization. Since these personnel are drawn from the society, their effectiveness contributes to the welfare of the society. Society, as a whole, is the major beneficiary of good human resource practice.

- (i) Employment opportunities multiply.
- (ii) Eliminating waste of human resources through conservation of physical and mental health.
- (iii) Scarce talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

3. Professional Significance

Professional significance of HRM lies in developing people and providing healthy environment for effective utilization of their capabilities.

This can be done by:

- (i) Developing people on continuous basis to meet challenge of their job.
- (ii) Promoting team-work and team-spirit among employees.
- (iii) Offering excellent growth opportunities to people who have the potential to rise.
- (iv) Providing environment and incentives for developing and utilizing creativity.

Objectives:

- (i) To provide, create, utilize and motivate employees to accomplish organizational goals.
- (ii) To secure integration of individual and groups in securing organisational effectiveness.
- (iii) To create opportunities, to provide facilities, necessary motivation to individual and group for their growth with the growth of the organisation by training and development, compensation etc.
- (iv) To employ the skills and ability of the workforce efficiently, i.e., to utilise human resources effectively.
- (v) To increase to the fullest the employee's job satisfaction and self-actualisation; it tries to prompt and stimulate every employee to realise his potential.
- (vi) To create a sense and feeling of belongingness team-spirit and encourage suggestions from employees.
- (vii) To help maintain ethical policies and behaviour inside and outside the organization.
- (viii) To maintain high moral and good human relation within the organization.
- (ix) To manage change to the mutual advantage of individuals, groups, the organization and the society.
- (x) To ensure that, there is no threat of unemployment, inequalities, adopting a policy recognizing merit and employee contribution, and condition for stability of employment.

Importance of HRM and Present day challenges

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Importance of HRM

An organisation cannot build a good team of working professionals without good Human Resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more. The beneficial effects of these functions are discussed here:

Recruitment and Training

This is one of the major responsibilities of the human resource team. The HR managers come up with plans and strategies for hiring the right kind of people. They design the criteria which is best suited for a specific job description. Their other tasks related to recruitment include formulating the obligations of an employee and the scope of tasks assigned to him or her. Based on these two factors, the contract of an employee with the company is prepared. When needed, they also provide training to the employees according to the requirements of the organisation. Thus, the staff members get the opportunity to sharpen their existing skills or develop specialised skills which in turn, will help them to take up some new roles.

Performance Appraisals

HRM encourages the people working in an organisation, to work according to their potential and gives them suggestions that can help them to bring about improvement in it. The team communicates with the staff individually from time to time and provides all the necessary information regarding their performances and also defines their respective roles. This is beneficial as it enables them to form an outline of their anticipated goals in much clearer terms and thereby, helps them execute the goals with best possible efforts. Performance appraisals, when taken on a regular basis, motivate the employees.

Maintaining Work Atmosphere

This is a vital aspect of HRM because the performance of an individual in an organisation is largely driven by the work atmosphere or work culture that prevails at the workplace. A good working condition is one of the benefits that the employees can expect from an efficient human resource team. A safe, clean and healthy environment can bring out the best in an employee. A friendly atmosphere gives the staff members job satisfaction as well.

Managing Disputes

In an organisation, there are several issues on which disputes may arise between the employees and the employers. You can say conflicts are almost inevitable. In such a scenario, it is the human resource department which acts as a consultant and mediator to sort out those issues in an effective manner. They first hear the grievances of the employees. Then they come up with suitable solutions to sort them out. In other words, they take timely action and prevent things from going out of hands.

Developing Public Relations

The responsibility of establishing good public relations lies with the HRM to a great extent. They organise business meetings, seminars and various official gatherings on behalf of the company in order to build up relationships with other business sectors. Sometimes, the HR department plays an active role in preparing the business and marketing plans for the organisation too.

Any organisation, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason, today, companies must put a lot of effort and energy into setting up a strong and effective HRM.

Human Resource Management Challenges (HR Challenges)

1. Environmental Challenges
2. Organizational Challenges
3. Individual Challenges

Environmental Challenges:

The environmental challenges are related to the external forces that exist in the outside environment of an organization & can influence the performance of the management of the organization. These external forces are almost out of control of the management of the organization. These can be regarded as threats to management & should be handled in a proactive manner.

Following are the list of **human resource management** challenges that considered as the environmental challenges.

1. Rapid Change
2. Work Force Diversity
3. Globalization
4. Legislation
5. Technology
6. Job & Family Roles
7. Lack of Skills

Rapid Change

The world is changing at a faster rate because change is constant from several centuries. So the management of the organizations should be quickly adaptive to the changing requirement of the environment otherwise they become obsolete from the market. The human resource management of an organization plays a basic role in response to the environmental change. The HR department should adopt such policies that can avail the new opportunities of the environment & keep the organization away from the newly emerging threats.

Work Force Diversity

The changing environment provides both the opportunities & threats to the human resource management of the organization. The HR manager should adopt such policies that can make possible the diverse work force of employees. Although on one hand diversity creates big problem but in the long run, the survival & performance of the organization is flourished.

Globalization

One of the serious issue that today's organizations are facing is the issue of globalization. The world is converting into global business and severe competition is started between domestic & foreign companies. Such competition results in the laying off the effective workforce of the organization. The HR department can play an important role in keeping the culture of the organization as global & wider.

Legislation

It is the old environmental challenge that is faced by organization since many decades. There are certain labor laws that are declared by the government for the benefits of the working employees. Some of these laws are disadvantageous to the interests of the organizations so it is a one of the big challenges for the HRM to implement all those labor laws within the organizations. If any of such law is violated, serious actions are taken by the relevant government authority that may result into serious penalty for the management of the organization.

Technology

The technology is also growing with great speed especially in the field of computer & telecommunication. New methods are emerging that quickly dominates the older ones & makes them obsolete. Therefore the skills required by the employees also changes with the changing technology & this would compels the worker to advance the skills three to four times throughout their working lives. So there comes a burden on the HR department to constantly update the skills & expertise of their employees.

Job & Family Roles

In recent years, dual-career families are increasing in which both the wife & husband work. This creates a serious burden on the women that they have to give time to their families also. In many organizations the policies of HR favors the employment of more than 10 years. The working hours of the organizations are also strict and tight for the employees. Moreover, the selection & training procedures are too tough and time consuming so most of the talented women hesitate to join any organization which would result in the wastage of talent and potential. Even working men also suffer from these employment policies because they do not properly give time to their families. So the challenges for the **HRM** increases with this particular issue & special favorable working policies are needed to be employed in all organizations.

Lack of Skills

The service sector development is expanding due to many reasons like change in the tastes & preference of customers, technological change, legal change etc. All of this affected the structure and managing style of the business organizations. The skills required in the employment of service sector is also advancing but the graduates of the technical colleges & universities are groomed according to the latest requirements. Therefore most of the employees lack the standard required skills to perform their duties and it becomes a big challenge for HRM to properly train these new & old employees to become an efficient & effective workers.

Organizational Challenges

The organizational challenges for the HRM are related to the factors that are located inside the organization. Although these challenges are evolved as a byproduct of the environmental challenges but these can be control by the management of the organization to much extent. The proactive HR managers take notice of such challenges in advance and take corrective measures before these would convert into serious issues. The human resource management challenges within the organization include competitive position & flexibility, organizational restructuring & issues of downsizing, the exercise of self managed teams, development of suitable organizational culture etc.

When the workforce of an organization is effectively used in combination with other factor of production, the opportunities of the environment are availed & the threats are eliminated. The competitive position of the organization can be influenced by the policies of HR in the following ways.

- Controlling Costs
- Improving Quality
- Developing Distinctive Capabilities
- Restructuring

1. Controlling Costs

An organization can avail the competitive position by lowering its cost & strengthening its cash flows. For this purpose, the labor cost of the organization is minimized through effective compensation system that adopts innovative reward strategies for good performances. In this way the favorable behaviors of the employees are rewarded so the organization would get the ultimate advantage. Moreover the policies of compensation should keep the labor cost under control. The effective employees should be selected that keep with the organization for a longer duration & proper training should also be provided to these employees. The HR department should also restore the work of the employees along with the improvement in the health & safety issue of working environment. All of these efforts would limit the cost of labor.

2. Improving Quality

The quality improvement can lead an organization towards competitive advantage. The total quality management programs are employed that improves all the processes within the organization which would ultimately result in the improvement of the final product or service.

3. Developing Distinctive Capabilities

Another method of gaining competitive advantage is to employ the people that have distinct capabilities to develop extra ordinary competence in specific area.

4. Restructuring

Another technique is the restructuring of the organization in which the methods of performing different functions are altered positively. In case of HR department, the majority of functions are still performed within the organization.

In some organizations the major functions of HR department are now transferred to the other parties in the shape of outsourcing, shared service center etc. The sizes of HR department in those organizations are shrinking because most of functions are performed by outsiders. But in most of the organizations the HR manager performs all the relevant functions of HRM. The HR department is now involved in the mission oriented & strategic activities.

Individual Challenges

The decisions related to the specific individual employees are included in the individual challenges for the HRM. The organizational issues are also affected by the fact that how employees are treated within the organizations. The problems related to the individual level are as follow.

1. Productivity

Productivity is defined as the measure of the value that an employee can add to the final product or service of the organization. The increased output per employee is reflected as increased productivity. Ability & motivation are two important factors that affect the employee productivity. The ability of the employee can be improved by the hiring & replacement along with the proper training & career development. On the other high quality of work life serves as accelerator to the motivational factor of the employees.

2. Empowerment

In the modern days many organizations make changes in such a way that their individual employees exert more control on their work as compared to their superiors. This individual control of employees is called empowerment which helps the employees to work with enthusiasm, commitment & learn new skills because they are more make normal decisions about their work by themselves & hence enjoy their work.

3. Brain Drain

One of the challenges for HRM is the detachment of the key potential employees from the organization which link with the competitors for higher remunerations etc. In such cases the organization loses its intellectual property & in many situations the leaving employees at the higher levels also take with them the potential lower level employees. This brain drainage is becoming serious issue in the high-Tec companies.

4. Ethics & Social Responsibility

Under this challenge, the organizations make an effort to benefit some portion of the society. This is now considered to the social responsibility of the organization to show favorable behavior towards the society. The ethics serves as the basic principle for the socially behavior of the organizations. Within organizations, the HR departments develop a code of conduct & principles of code of ethics that serve as the guidance for the personal behavior of the employees of the organizations. The employees also expect from the management to show favorable decisions.

5. Job Insecurity

In the recent years, restructuring & downsizing develops the sense of insecurity of job within the employees of the organizations. Now many employees only desire to get a steady job rather than a job with promotional future. Even most successful organizations lay off its employees in the period of cut throat competition. The stock market also shows favorable results when layoffs has been made. All these things create a fear among employees about the insecurity of their jobs which would hinder their effective performance.

6. Matching People & Organizations

It has been proved from the research that the HR department contributes to the profitability of the organization when it makes such policies of employee selection in which those employees are selected & retained that best suits the culture of the organization & its objectives. For example it is proved from research that those employees would become beneficial for the high-Tech companies that can work in risky, uncertain environment having low pay. In short it is an important challenge for the HR department to hire and keep such employees whose abilities & strengths would match the requirements & circumstances of the organization.

Human Resource Planning, Features, Process, Objectives, Importance

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Human resource is the most important asset of an organization. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons.

According to E.W. Vetter, human resource planning is “the process by which a management determines how an organization should make from its current manpower position to its desired manpower position.

Through planning a management strives to have the right number and the right kind of people at the right places, at the right time to do things which result in both the organization and the individual receiving the maximum long range benefit.”

Dale S. Beach has defined it as “a process of determining and assuring that the organization will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.”

In the words of Leon C. Megginson, human resource planning is “an integration approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organisational objectives and satisfy the individual’s needs and goals of organisational members.”

Features of Human Resource Planning

1. Well Defined Objectives

Enterprise’s objectives and goals in its strategic planning and operating planning may form the objectives of human resource planning. Human resource needs are planned on the basis of company’s goals. Besides, human resource planning has its own objectives like developing human resources, updating technical expertise, career planning of individual executives and people, ensuring better commitment of people and so on.

2. Determining Human Resource Needs

Human resource plan must incorporate the human resource needs of the enterprise. The thinking will have to be done in advance so that the persons are available at a time when they are required. For this purpose, an enterprise will have to undertake recruiting, selecting

and training process also.

3. Keeping Manpower Inventory

It includes the inventory of present manpower in the organization. The executive should know the persons who will be available to him for undertaking higher responsibilities in the near future.

4. Adjusting Demand and Supply

Manpower needs have to be planned well in advance as suitable persons are available in future. If sufficient persons will not be available in future then efforts should be made to start recruitment process well in advance. The demand and supply of personnel should be planned in advance.

5. Creating Proper Work Environment

Besides estimating and employing personnel, human resource planning also ensures that working conditions are created. Employees should like to work in the organization and they should get proper job satisfaction.

Though, HR Planning may sound quite simple a process of managing the numbers in terms of human resource requirement of the organization, yet, the actual activity may involve the HR manager to face many roadblocks owing to the effect of the current workforce in the organization, pressure to meet the business objectives and prevailing workforce market condition. HR Planning, thus, help the organization in many ways as follows:

- HR managers are in a stage of anticipating the workforce requirements rather than getting surprised by the change of events
- Prevent the business from falling into the trap of shifting workforce market, a common concern among all industries and sectors
- Work proactively as the expansion in the workforce market is not always in conjunction with the workforce requirement of the organization in terms of professional experience, talent needs, skills, etc.
- Organizations in growth phase may face the challenge of meeting the need for critical set of skills, competencies and talent to meet their strategic objectives so they can stand well-prepared to meet the HR needs
- Considering the organizational goals, HR Planning allows the identification, selection and development of required talent or competency within the organization.

It is, therefore, suitable on the part of the organization to opt for HR Planning to prevent any unnecessary hurdles in its workforce needs. An HR Consulting Firm can provide the organization with a comprehensive HR assessment and planning to meet its future requirements in the most cost-effective and timely manner.

An HR Planning process simply involves the following four broad steps:

- **Current HR Supply:** Assessment of the current human resource availability in the organization is the foremost step in HR Planning. It includes a comprehensive study of the human resource strength of the organization in terms of numbers, skills, talents, competencies, qualifications, experience, age, tenures, performance ratings, designations, grades, compensations, benefits, etc. At this stage, the consultants may conduct extensive interviews with the managers to understand the critical HR issues they face and workforce capabilities they consider basic or crucial for various business processes.
- **Future HR Demand:** Analysis of the future workforce requirements of the business is the second step in HR Planning. All the known HR variables like attrition, lay-offs, foreseeable vacancies, retirements, promotions, pre-set transfers, etc. are taken into consideration while determining future HR demand. Further, certain unknown workforce variables like competitive factors, resignations, abrupt transfers or dismissals are also included in the scope of analysis.
- **Demand Forecast:** Next step is to match the current supply with the future demand of HR, and create a demand forecast. Here, it is also essential to understand the business strategy and objectives in the long run so that the workforce demand forecast is such that it is aligned to the organizational goals.
- **HR Sourcing Strategy and Implementation:** After reviewing the gaps in the HR supply and demand, the HR Consulting Firm develops plans to meet these gaps as per the demand forecast created by them. This may include conducting communication programs with employees, relocation, talent acquisition, recruitment and outsourcing, talent management, training and coaching, and revision of policies. The plans are, then, implemented taking into confidence the managers so as to make the process of execution smooth and efficient. Here, it is important to note that all the regulatory and legal compliances are being followed by the consultants to prevent any untoward situation coming from the employees.

Objectives of Human Resource Planning

The objectives of HR planning are as follows:

1. Provide Information

The information obtained through HRP is highly important for identifying surplus and unutilized human resources. It also renders a comprehensive skill inventory, which facilitates decision making, like, in promotions. In this way HRP provides information which can be used for other management functions.

2. Effective Utilization of Human Resource:

Planning for human resources is the main responsibility of management to ensure effective utilization of present and future manpower. Manpower planning is complementary to organization planning.

3. Economic Development

At the national level, manpower planning is required for economic development. It is particularly helpful in the creating employment in educational reforms and in geographical mobility of talent.

4. Determine Manpower Gap

Manpower planning examine the gaps in existing manpower so that suitable training programmes may be developed for building specific skills, required in future.

5. To forecast Human Resource Requirements

HRP to determine the future human resource needed in an organization. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

6. Analyze Current Workforce

HRP volunteers to assist in analyzing the competency of present workforce. It determines the current workforce strengths and abilities.

7. Effective Management of Change

Proper HR planning aims at coping with severed changes in market conditions, technology products and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills evidently in the absence of planning there might be underutilization of human resource.

8. Realizing Organizational Goals

HRP helps the organization in its effectively meeting the needs of expansion, diversification and other growth strategies.

Importance of Human Resource Planning

After the need for HRP, it is apt to discuss the importance of it. A few are mentioned below.

- It gives the company the right kind of workforce at the right time frame and in right figures.
- In striking a balance between demand-for and supply-of resources, HRP helps in the optimum usage of resources and also in reducing the labor cost.

- Cautiously forecasting the future helps to supervise manpower in a better way, thus pitfalls can be avoided.
- It helps the organization to develop a succession plan for all its employees. In this way, it creates a way for internal promotions.
- It compels the organization to evaluate the weaknesses and strengths of personnel thereby making the management to take remedial measures.
- The organization as a whole is benefited when it comes to increase in productivity, profit, skills, etc., thus giving an edge over its competitors.