

---

---

# **CHAPTER - I**

## **THEORETICAL BACKGROUND**

- 1.1 INTRODUCTION
- 1.2 MEANING OF MANPOWER PLANNING
- 1.3 OBJECTIVES OF MANPOWER PLANNING
- 1.4 PROCESS OF MANPOWER PLANNING
- 1.5 THE STEPS OF MANPOWER PLANNING
- 1.6 IMPORTANCE OF MANPOWER PLANNING
- 1.7 COMPONENT OF MANPOWER PLANNING
  - a] Job Analysis
  - b] Recruitment
  - c] Selection
  - d] Training
  - e] Transfers
  - f] Promotion
  - g] Rewards and penalties
- 1.8 MANPOWER PLANNING AND PRODUCTION
  - a] Introduction and meaning of production
  - b] Production function
  - c] Productivity
  - d] Labour productivity
- 1.9 THE POSITION AND IMPORTANCE OF MANPOWER PLANNING IN FUTURES
- [\*] REFERENCES.

---

---

## **INTRODUCTION :**

A Productive or Trading Organisation is established to produce or sale goods by utilising various resources like raw material, finance, human resources etc. Their main objective is to maximise output with minimum resources. This objective can be best achieved by maximum utilisation of manpower resources, because they are the catalyst in Organisation activity. Maximum utilisation of manpower resources makes maximum utilisation of raw material, machinery, finance, time energy etc. to a great extent automatically. That is why manpower planning is the first step in corporate planning.

This chapter discusses the theoretical aspects of manpower planning with all its facts in four sections The first section gives a brief introduction, meaning, definition, objectives, importance etc. of manpower planning and second section explains in short a component of manpower planning. The third section deals with the relationship with other factors like manpower planning and production, manpower planning and labour productivity. The fourth part of this chapter will have some conclusions.

---

---

## **MAN POWER PLANNING**

### **1.1 INTRODUCTION :**

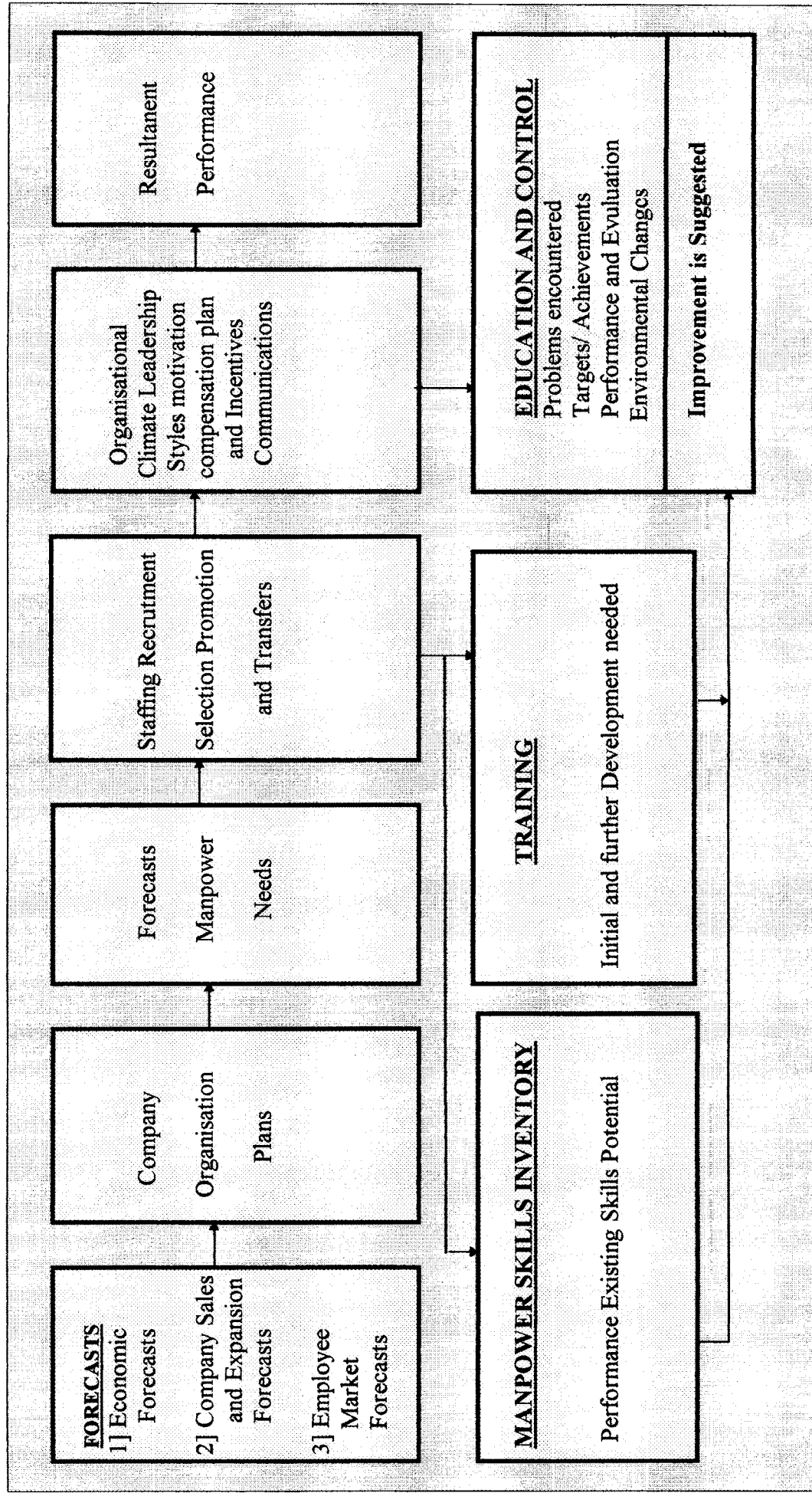
In the words of the great sophocles, “The wonder of wonders is man”. and there is no doubt that man is the most dynamic animal. He has an infinite capacity to think, to create, to develop, to discover and invent, to produce, to feel, to love, to dream, to conquer, to master, to achieve, to give, to live, to respect, to play, to pray, and to do us as well as destroy, to hate and to kill. He is the most complex being. His behaviour and conduct may also be most unpredictable He can do infinite good and infinite bad as he chooses or as he is led to choose. Although at times his conduct and actions may border almost on the in human side, he is not a machine. He is not merely a commodity that can be bought and sold.

Manpower means, total knowledge, skill abilities, talents and aptitudes of an organisational work-force as well as values, attitudes and benefits of individuals involved. Manpower is a total commitment of a man to put his best and see that the output is of the best quality. This proceeds helps to find out the individual with such capabilities and mental composure. Thus, manpower resources are the most vital factor for the survival; prosperity and growth of any organisation. So to find right number and suitable people and to appoint them at right places is essential to achieve maximum utilisation of manpower resources. Many industrial houses in India have adopted this concept and are enjoying the fruits of their assets.

“Manpower means the amount of labour both male and female available in a country at a particular time.”

The following figure No.1 shows the manpower management Cycle which illustrates the concept of manpower management.

**FIGURE NO.1**  
**MANPOWER MANAGEMENT CYCLE**



---

---

## 1.2 MEANING OF MAN POWER PLANNING :

Planning is an essential function of management. It is used in functional area like marketing, production or finance. The work of personnel department must be planned. Planning in the personnel area is mainly concerned with crystallising from where the right type of people can be secured for further anticipated vacancies.

Manpower planning is rather a modern concept popularised during post second world war. Manpower planning concerns itself with the development of human resources in enterprises. Manpower planning means, manpower of the right quantity at the right place, with right utilisation, with right skills and with the right approach to the development of its potential. Here follows some definitions.

### DEFINITIONS :

i] In the words of Coleman Bruce P. :

“Manpower Planning is the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation.” ❶

ii] According to Stainer :

“Manpower Planning as strategy for the acquisition, utilisation, improvement and preservation of an enterprises, human resources. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing sources of manpower.” ❷

---

---

iii] According to Vetter Eric W. :

“Human Resources Planning as the process by which a management determines how the organisation should move from its current manpower position to its desired manpower position. Through, planning management strives to have the right number and the right kinds of people at the right places, at the right time doing things, which results in both the organisation and the individual receiving maximum long-run benefit.” ③

iv] According to James J. Lynch :

“Manpower Planning is the integration of manpower policies practices and procedure so as to achieve the right numbers of the people in the right jobs at the right time.” ④

v] According to E.B.Geister :

“Manpower Planning is the process including forecasting, developing and controlling by which a firm ensures that it has the right number of people at the right time doing work for which they are economically most useful.” ⑤

vi] According to Gorelen Mac Beath :

“Manpower Planning involves two stages the first stage is concerned with the details. :

- I] Planning of manpower requirement for all types and levels of employee throughout the period of the plan and,
- II] The second stage is concerned with, planning of manpower supplies to provide the organisation with the right types of people from all sources to meet the planned requirements.” ⑥

---

---

Thus, manpower planning or human resources planning is a double-edged weapon. If it is properly used, it leads to maximum utilisation of human resources reduce excessive staff, turnover and high absenteeism. It certainly improves productivity and aids in achieving the objectives of an organisation. If manpower planning is not done systematically it leads to distribution in flow of work. Thus human resources planning assumes great importance for the success of any organisation. So manpower planning is essential in the organisation for high production at low cost of production and good-administration.

### **1.3 OBJECTIVES OF MANPOWER PLANNING :**

- i] To develop quality of manpower; and their attributes the inherent qualities.
- ii] To find out the right type of person required to fill up the specific position in the organisation.
- iii] To make qualitative and quantitative evaluations of the adequacy of manpower for the future.
- iv] To develop and use a strategy of optimum utilisation of the organisations manpower through systematic efforts towards their proper placement and development.
- v] To plan and control techniques.

### **1.4 PROCESS OF MANPOWER PLANNING :**

The process of manpower planning is one of the most important but very crucial managerial function. It is a multi-step process and if each step is carefully observed it gives good results. The process includes the following steps :

- 
- 
- i] Deciding goals or objectives.
  - ii] Estimating the future organisational structure and overall manpower requirement.
  - iii] Auditing human resources.
  - iv] Planning job requirement and job descriptions.
  - v] Developing the human resources plan.

### **1.5 THE STEPS OF MANPOWER PLANNING :**

#### **1] SKILL INVENTORY :**

The first step of manpower planning is to make a list of existing employees working in the organisation. The skills and positions of the employees are noted down. The number of employees who are going to retire is noted. As a result management get an idea about replacement requirements.

#### **2] DEMAND FORECASTING :**

Taking in-to consideration production projects and development of the organisation in future required future manpower is estimated.

#### **3] EMPLOYMENT PROGRAMME :**

Considering the manpower it is decided how to obtain the required manpower.

#### **4] TRAINING PROGRAMME :**

Training and development needs of the employees are found out and accordingly training programmes are arranged.

#### **5] DETERMINATION OF MANPOWER REQUIREMENTS :**

Manpower is analysed in two aspects.

- i] Quantitative aspect which indicates right number of required persons and,



- 
- 
- ii] Qualitative aspects indicating persons required of right educational qualification and work experience etc.

“In overall organisation manpower planning must be integrated with sales-purchases, production and research engineering etc. Manpower planning is the continuous process in the organisation.” ⑦

### **1.6 IMPORTANCE OF MANPOWER PLANNING :**

Manpower Planning is beneficial to both employer and employees. It is helpful to individual employee because it improves his skills where as employer is able to utilise employees capabilities and potentialities to the almost.

Manpower Planning is essential in a large, medium and small sized units. But its importance is felt in modern factory system.

Today each organisation needs personnel with the necessary qualifications, skills, knowledge work experience and aptitude towards work to carry on its work. These are provided through effective manpower planning. It is possible to identify areas of surplus personnel or areas in which there is a shortage of personnel.

The process of human resources planning is one of the most crucial; complex and continuing managerial functions. The process has gained importance in India with the increase in the size of business enterprises, complex, production advanced technology and the adoption of professional management techniques.

Thus importance of manpower planning is cited as below :-

- i] Manpower planning is helpful for selection of the personnel.

- 
- 
- ii] There should be adequate number of personnel to replace persons who will go out due to retirement, death, physical or mental elements.
  - iii] Manpower planning provides the personnel with the necessary qualifications, skills, knowledge, work-experience and aptitude of work.
  - iv] Manpower planning provides enough opportunity for identifying and developing managers to move up the corporate ladder.

## **1.7 COMPONENTS OF MANPOWER PLANNING**

### **a] JOB ANALYSIS :**

Job analysis is an analytical study of a particular operation. Job analysis is a systematic analysis of each job for collecting information about a job.

“Job analysis is the process of studying and collecting information relating to the operation and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specification.”<sup>⑧</sup>

### **[\*] Use Of Job Analysis :**

The Job analysis information is useful for many purposes. Most common uses of job analysis are :-

- 1] Organisation and manpower planning.
- 2] Recruitment and selection.
- 3] Training and development.
- 4] Wage and salary administration.
- 5] Job evaluation.
- 6] Performance appraisal.
- 7] Job design.
- 8] Safety and health.

---

---

**[\*] Techniques OR Methodology Of Job Analysis :**

The information of job is collected through the employees; supervisors and managers. The techniques of job analysis are as follows :-

- 1] Questionnaire
- 2] Conducting personal interviews.
- 3] Personal Observation.
- 4] Maintenance of log records.

**b) RECRUITMENT :**

Recruitment is the term used for the discovery and development of human resources and manpower needed by the organisation. In short, recruitment is the process for generating applications or applicants for specific positions.

In the manpower planning process recruitment is the first stage and then follows selection.

**DEFINITION :**

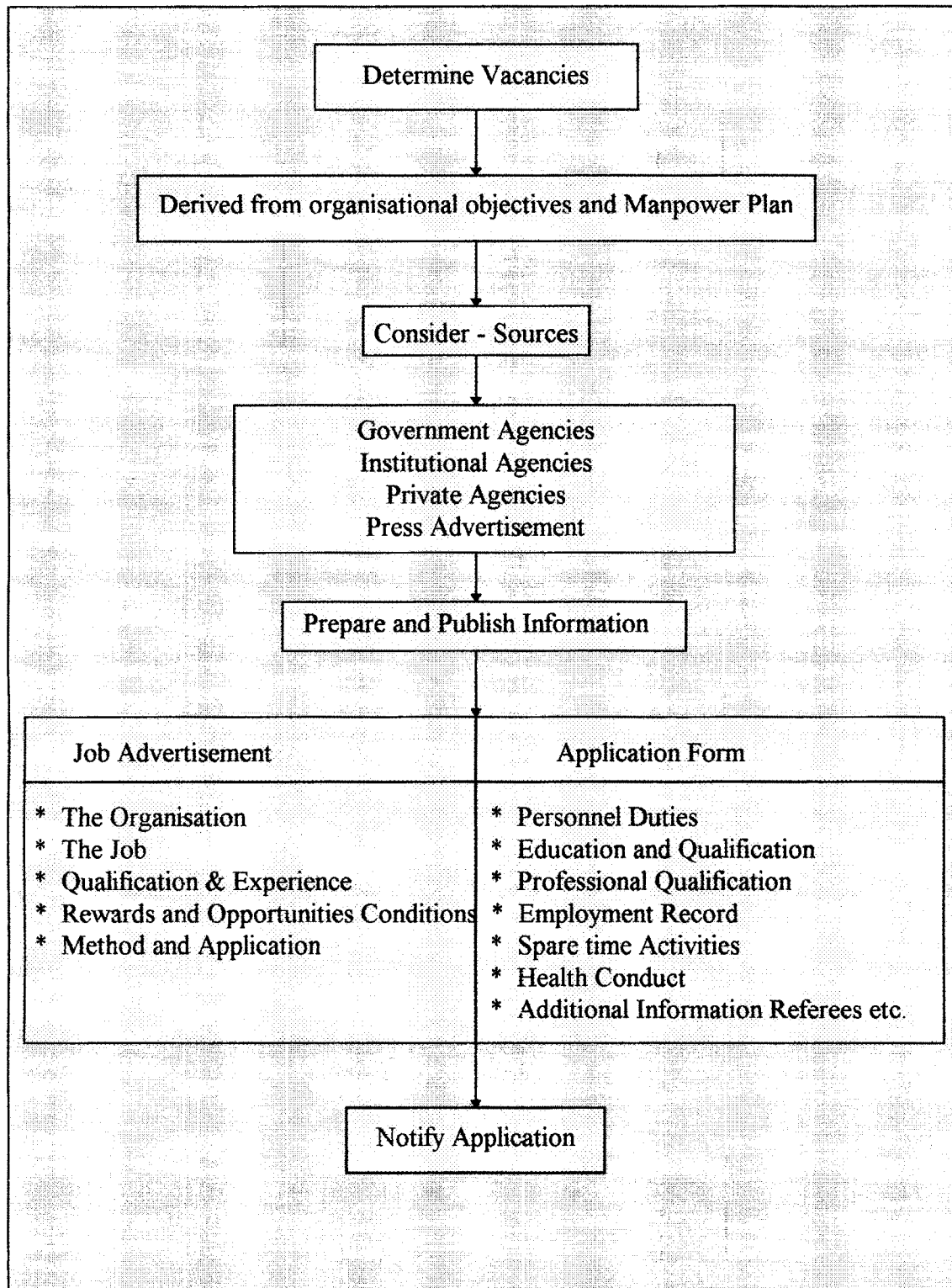
- i] “Recruiting is the discovering of potential applicant for actual or anticipated organisational vacancies.” ②

Recruitment is process to discover the sources of Manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate number to facilitate effective selection of an efficient working-force.

The figure No.2 shows an outline of recruitment process in various organisations. And the figure No.3 explains the steps of recruitment process.

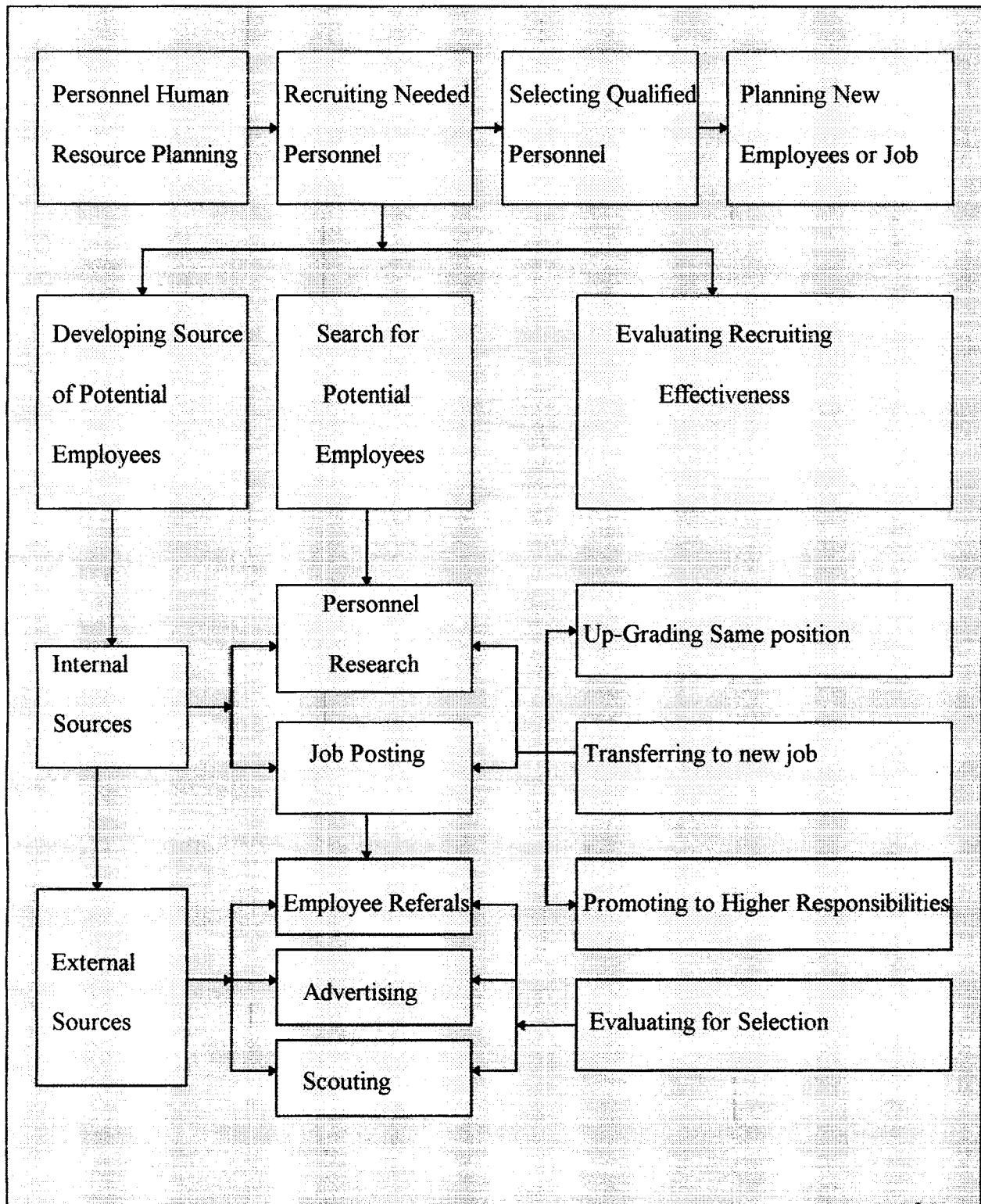
FIGURE NO.2

**AN OUTLINE OF RECRUITMENT PROCESS**



**FIGURE NO.3**

**STEPS ON RECRUITMENT PROCESS**



---

---

c] **SELECTION** :

Appointing the employee to the job is the first and the most important step in promoting individual efficiency and adjustment in industry. Scientific selection of employees is an important function of the personnel department.

Selection means a careful screening and testing procedure of candidate's application forms. The management tries to choose the best and suitable persons from among the applicants. The main purpose of selection procedure is to choose the right type of person for a suitable job.

**DEFINITION** :

"The hiring process is one or many 'go; no-go' gouges. Candidates are screened by the application of these tools. Qualified applicants go on to the next hardly while the unqualified are eliminated." (11)

Generally good selection process will include the following steps, which act as a sequence of obstacles to be surmounted by the candidates seeking employment

- 1] Preliminary interviews.
- 2] Application forms.
- 3] Reference letters.
- 4] Group discussions.
- 5] Interviews
- 6] Test
- 7] Physical Examination
- 8] Selection and placement
- 9] Induction and,
- 10] Follow up.

---

---

d] **TRAINING** :

The motivation to learn is deeply rooted in human personality. The “Training motivates the employees” aptitudes, skills and capabilities to do jobs more efficiently. After the candidate has been selected, placed and introduced to the organisation, he must be trained in his job so that he can do his job properly. Training aims at increasing the aptitudes, skills and abilities of employees for job assigned to them.

**DEFINITION** :

“Training is the act of increasing the knowledge and skill of an employee for doing a particular job.”<sup>(12)</sup>

[\*] **KINDS OF TRAINING** :

i] **Induction OR Orientation Training** :

Induction training is concerned with the introduction of the organisation and its procedures, rules and regulations to the employee. It is better to give the new employee a friendly welcome when he is joining the organisation and tell him about the rules and regulations, working conditions company culture.

ii] **Job Training** :

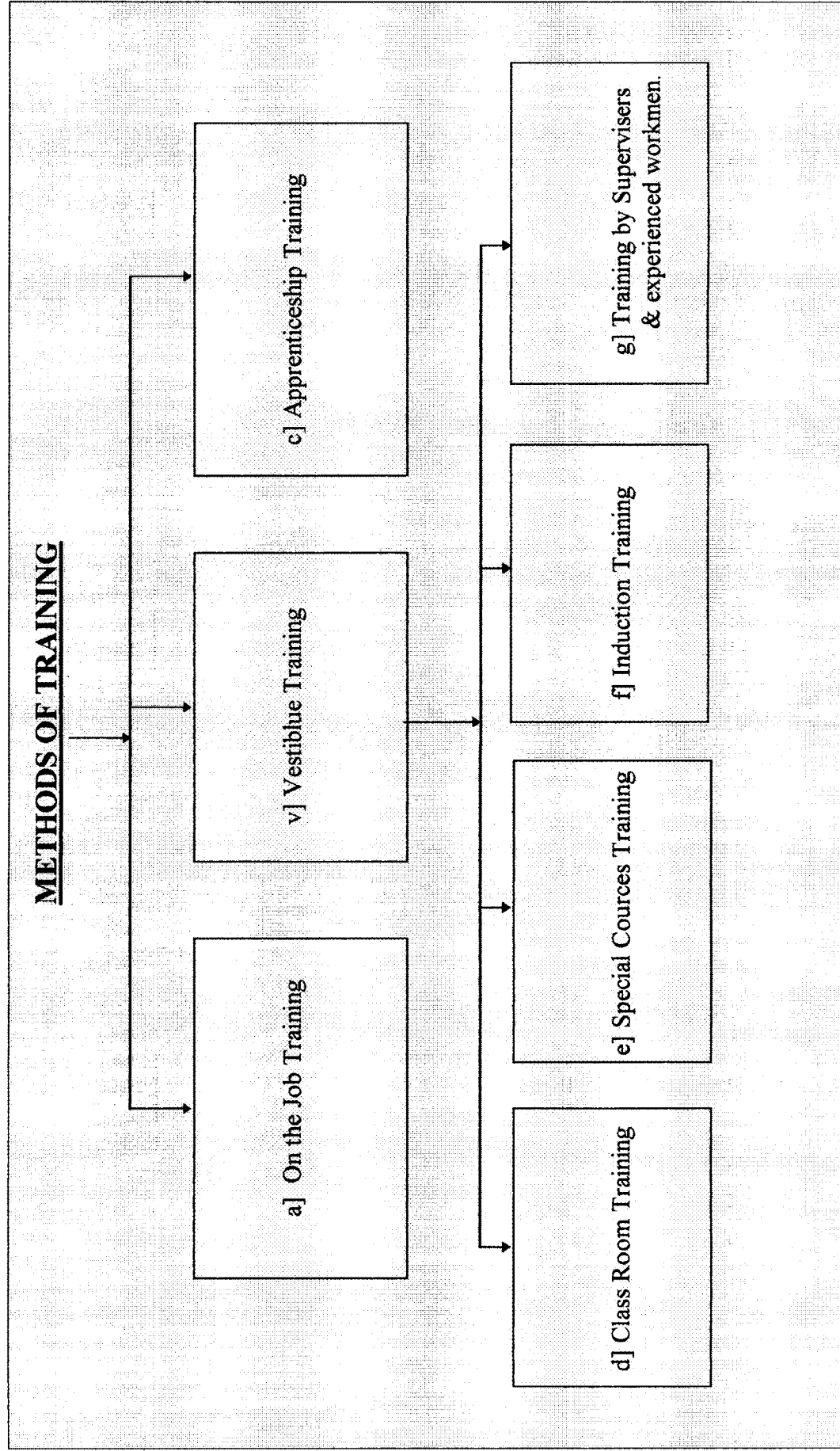
Job training is given in different way to make the workers proficient in handling machines; equipment's and material. So that operations are avoided, Training for a job is the most essential factor in plant training programme.

Job Training is necessary for new employees. It is essential to create interest of the employees in their jobs and make low rate of accidents.

Besides craft training, learner training, internship training and refresher training are different methods used.

The following figure No.4 shows that the various methods of training :

**FIGURE NO.4**





---

---

e] **TRANSFERS :**

A transfer is a horizontal movement of an employee from one job to another where his salary, status or responsibility are the same. The transfer is a movement from one job or place to another and does not involve promotion or demotion.

Transfers are done by the management due to change in organisational structure, introduction of new lines of production, reduction of work-force or shortage or surplus in some sections. Sometimes transfers are done to meet employee's request when the employee feels unhappy with the job because of some reasons.

f] **PROMOTION :**

A Promotion involves reassignment of an employee to a position having higher pay, increased benefits and greater potential. The purpose of a promotion is to provide a vacancy which in general; is smooth more to the organisation than the incumbent's present position.

[\*] **DEFINITION :**

"A promotion is the transfer of an employee to a job which pay's more money or one that carries some preferred status." (13)

[\*] **PURPOSE OF PROMOTION :**

- 1] Personal Satisfaction.
- 2] Better Income
- 3] Reward
- 4] Increase Efficiency
- 5] To promote job satisfaction
- 6] To attract competent workers.
- 7] Reduce unrest etc.

---

---

**g] REWARDS AND PENALTIES :**

The systems of Rewards and punishments are essential. These systems help to motivate employees and also punish the wrong doers. This help to maintain discipline.

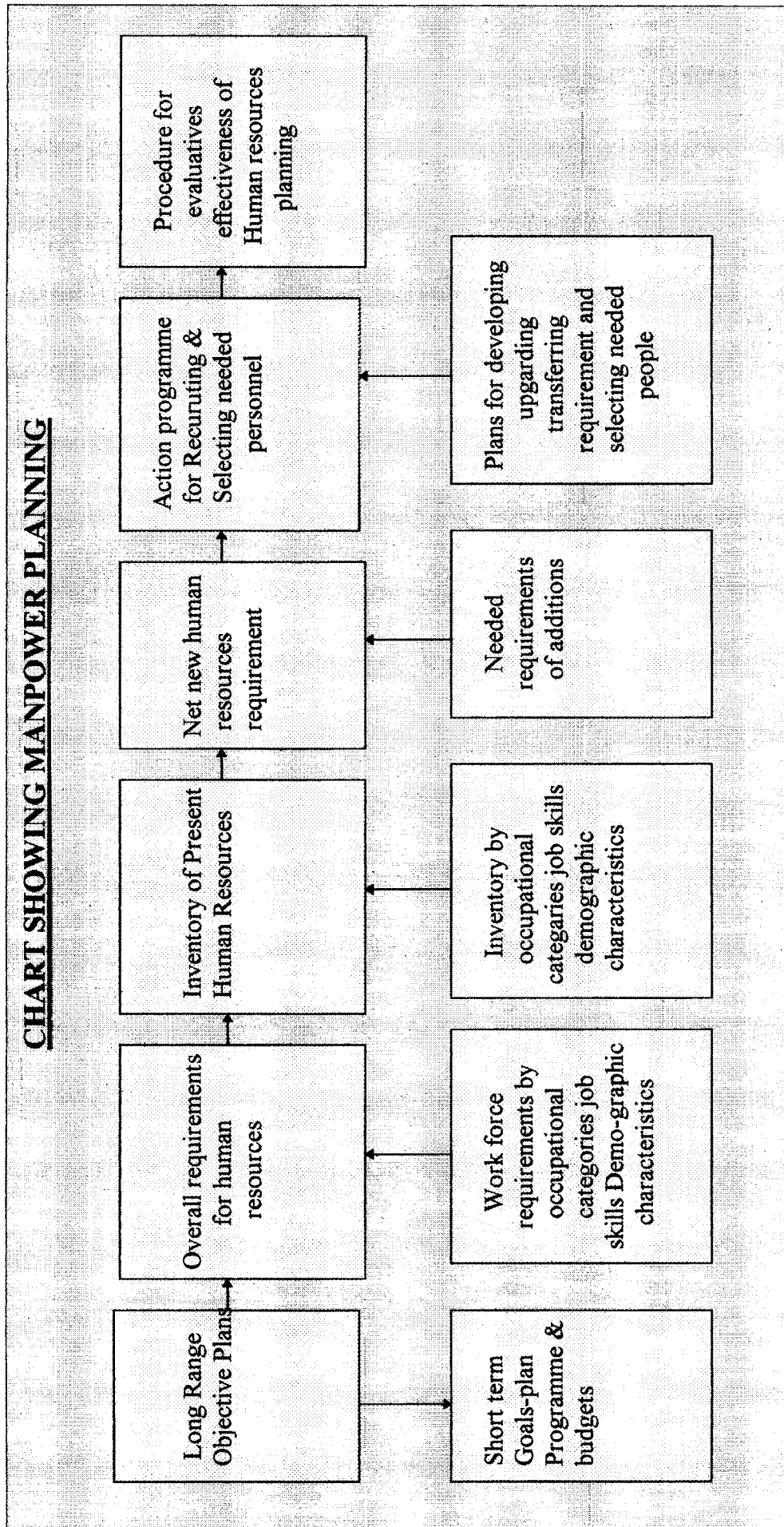
Discipline is the force that prompts and individual to observe the rates; regulations and procedures of the organisation. It is a force which restrains an individual from doing things which are deemed to be destructive of group objectives. It is a social practice to reward those acts which give benefit to the society. So if work; beneficial to organisation, is done the employee is rewarded and the work detrimental to the organisation he is punished.

In any organisation small mistakes are met with small punishments like giving warning and issuing memos.

Big mistakes or purposeful repetition of small mistakes are met with by major punishment like stoppage of promotion or fine etc. if bigger mistake is done severe punishment like suspension or dismissal is done.

The following figures No.5 shows the manpower planning process.

**FIGURE NO.5**



---

---

## 1.8 MANPOWER PLANNING AND PRODUCTION :

### a] Introduction and Meaning :

The sole purpose of organisation is to create goods, provide services or both. Every organisation is engaged in the production of either a physical good or a service. Regardless of the nature of the organisation; its continued existence rests on its ability to produce something for which there is a great demand.

Thus, Production is the process by which goods and services are created. In a manufacturing organisation; Men, Materials and equipment's are employed to produce goods and commodities and thereby creating utility while in service enterprise the production is the discharge of some functions of utility and includes all types of services.

### [\*] Definition : According to Curl Heyel.

i] "Production is the process of transforming raw materials or purchased components in to finished products for sale" (13)

### ii] According to the Bethel Smith and Others :

"Production is the transformation of raw material by factory methods in to things wanted by society." (14)

Thus, the basis of production is the transformation of inputs in to goods and services. The main objectives of this process are twofold :

- i] Optimum use of resources at optimum cost of production.
- ii] Production of the goods at optimum cost of production.

---

---

**b] Production Function :**

A production function expresses the relationship between a combination of inputs and outputs. Thus, a relationship between the inputs a firm uses and the quantity of its physical output, and this relationship is known as the production function.

The production function depend upon the following factors :

- i] The quantities of inputs to be used.
- ii] The state of technical knowledge.
- iii] The possible processes of production.
- iv] The size of the firm.
- v] The prices of inputs.

The production function may be expressed as :

$$Q = f(L, K)$$

Where as,  $Q$  = denotes the output

$L$  = denotes labour

$K$  = denotes Capital

This is a simple version. The more meaningful version is --  $QA = f(LXKY)$ .

$QA$  = denotes the quantity of output A

$LX$  = denotes the quantity of labour input

$KY$  = denotes the quantity of Capital Y.

**c] PRODUCTIVITY :**

Productivity is the current catch phrase in management literature. Infact the terms efficiency, productivity and performance are used interchangeably in modern organisation. In more clear terms efficiency and productivity refer to a ratio of outputs divided by inputs

---

---

but performance is a broader term incorporating efficiency and productivity in overall achievement of corporate objectives. In order to provide some order in the jungle of terminology surrounding the term productivity, let us, first of all define it.

“Productivity is expressed as a ratio between output and inputs symbolically,

$$P = \frac{O}{I}$$

Whereas, P = Productivity

O = Output

I = Input

Productivity can be expressed on a total factors basis or on a partial factor basis.

The total factor productivity is the ratio of output overall inputs expressed in the form, of an equation this can be shown as under :

$$\text{Productivity} = \frac{\text{Output}}{\text{Labour} + \text{Capital} + \text{Materials} + \text{Energy} + \text{Management.}}$$

**d] LABOUR PRODUCTIVITY :**

Labour is one of the most important determinants of productivity. Labour productivity is defined as the ratio of output to input of man-hours. One to the main relationship between workers and the employers, employees carry out specified duties.

“Management should ensure that employees maintain their part of contract required output on anticipated machine efficiency.”

Planned cost of achievement a reasonable level of labour productivity, and production of products with a desirable level of quality.” put in a dyasilegalistic frame work, labour

---

---

productivity and the use of labour generally can be considered to be the result the use of the power relationships between the contracting parties.

However in practice the contract is not just about productivity. It is also concerned with the kind of job being performed and the environment in which it is carried out.

Productivity of labour usually depends on three important sets of factors.

1] The ability of the workers :

The ability of the workers which includes factors like the physical ability inherent and acquired skill training and experience, aptitude and intelligence etc.

2] Attitude and behaviors of the workers :

Attitude and behaviour of the workers which includes his willingness to work sincerely attitude towards the work; fellow workers, supervisors, employer and society; group behaviour etc. The attitude and behavior of the labour are influenced by factors like the wage and incentives family and social background, political activities living conditions, nature of the employer etc. The role of labour in increasing productivity stresses the cardinal importance of employer - employee relations.

3] Environment :

Working conditions or environment which include factors like the layout of the working area, lighting, ventilation, air conditions etc. Application of the principles of human engineering or ergonomics are very important to improve labour productivity. The quantity and quality of output turned out by the workers depend also on the type of tools equipment etc.

---

---

### **1.9    THE POSITION AND IMPORTANCE OF MANPOWER PLANNING IN FUTURE :**

The position and importance of manpower planning in future is bound to be even more dynamic and challenging to meet the complex and changing environmental variables in the next two decades. Fast changing technological, economic, and social environment phenomenal growth in multinational. Operations, and increasing factors affecting for need of a scientific manpower planning. The managerial climate in future will be changing so quickly that outstanding solutions to problems in the past may turn out to be miserable failures in the present or in the near future. The future is to be considered as an opportunity and not a problem. Effective manpower planning can establish harmonious relationship with its internal as well as external environment. Rapid technological changes, world-wide inflation, ever changing role of research and development function of production marketing, finance research and development function of production, marketing, finance research all these problems can be diagnosed properly with an effective manpower planning.



---

---

### REFERENCE

- 1/ COLEMAN BRUCE P. :  
“An Integrated System for manpower planning” Coleman B.P. : Business Horizon  
Vol. 13/1970 Page No.89 to 95.
- 2/ STAINER G :  
“Manpower Planning” Willam Heineman Ltd. London 1971 Page No.3
- 3/ VETTER ERIC W. :  
“Manpower Planning for High talent personnel.” Burau of Industrial Relations.  
Graduate School of Business Administration. The University of Machigan Ann.  
Arbar 1961. Page 15.
- 4/ R.S.DAVAR :  
“Personnel Management and Industrial Relations” Vikas Publishing House Pvt.  
Ltd., New Delhi Page 54.
- 5/ M.N.RUDRABASAVARAJ :  
“Dynamic Personnel Administration” Himalaya Publishing House, Girgaon,  
Bombay Page No.86.
- 6/ DINKAR PAGARE :  
“Functional Management” Sultan Chand and Sons, educational Publishers 23  
Daryagani New Delhi - 110002 fifth edition 1996 Page No.15 to 32.
- 7/ S.C.SAXENA :  
“Business Administration and Management” Sahitya Bhavan Agra 1987 P.No.168.

---

---

8/ E.B.GEISTER :

“Manpower Planning An Emerging staff function.” A.M.A. New York 1967.

9/ GARDEN MAC BEATH :

“Organisation and Manpower Planning” 2nd edition Business books ltd. London  
1969 Page 55.

10/ ARUN MONAPPA & MIRZAS SAIYADAIN :

“Personnel Management Tata Megraw-Hill Publishing Co- Ltd., New Delhi.  
1979 Page No. 75to85.

11/ PRADEEPKUMAR :

“Production Management” Kedar Nath Ram Nath Publishing 132 R.G.College  
Road Meerut (U.P.) 1995-96 Page No.1 to 5.

12/ GOPAL J.I. :

“Personnel Management Through Cost and Ratio.” Anmol Publishing New Delhi  
1988.

13/ V.V.KHANZODE :

“Human Resources Management” Ashish Publishing house 8/81.  
Panjabi Bagh New Delhi 110026 1992 Page No. 19 to 25.