CHAPTER V

CONCLUSIONS AND SUGGESTIONS

C H A P T E R : (V)

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As stated earlier the technique of manpower planning has been recently introduced in the company.

The techniques used for forecasting the manpower is based on the study of -

(i) Time Study.

(ii) Work Load Analysis.

(iii) Work Force Analysis.

These are the only techniques used to determine the manpower requirements.

The company is facing the Problem of adjusting the labour surplus it has.For this it has been following the below mentioned measures -

(1) Retrenchment.

(2) Internal Transfers.

(3) Resignations.

(4) Transfer on Promotions.
(5) Work Measurement.
(6) Over Time.

The Techniques used for manpower forecasting i.e. "Work Load Analysis" is useful for determining the manpower requirements of the direct labour.In case of indirect labour it is very difficult to set a standard time.

Therefore,it may be suggested here that some of the above said manpower forecasting techniques can be used as per the need.

METHODS OF FORECASTING :

Broadly speaking four main approaches to long term and medium term manpower forecasting can be - distinguished at the level of firm.The first of these relies on the informed opinion of managers with the company.The second is based on the idea of projecting past trends in employment.In the third,the results of Work Study exercises from the basis of forecast and lastly and in many circumstances the most difficult to apply,predictions are based on measures of labour productivity.Although they are treated in this section as alternatives in practice,these approaches should

be treated as supplement to each other they may well provide very different answers,but at the least the exercise of forecasting will encourage management to question its assumption about the pattern of future growth in the firm.Ideally perhaps the company should work out a series of forecasts using one or more of the "Mechanical" methods and consider how their - results compared with those derived from the informed opinion of managers whichever method is used,however, it will always be prudent to assume that forecast will turnout to be to some degree inaccurate either because it is difficult to measure exactly the effect some - known changes or because the assumption on which the forecast were based provide mistaken.

EXECUTIVE JUDGEMENT :

Perhaps the simplest approach to manpower forecasting is to prepare estimates of future needs based on the individual opinions of Departmental or line managers.This can be done both from the bottom up by asking junior managers through the hirearchy for collection and comment or from the top downwards - through headquarters Department whose suggested forecast are circulated downwards for discussion.In

both cases,comment from different levels of the - managerial chain will often lead to considerable revisions of the original estimates.

Forecast made in this way are often regarded by managers who set them as targets.It is vital therefore, that managers be asked to provide ample supporting - evidence for their forecasts.Generally,speaking,the views of managers are likely to be most valuable in relatively short term forecasting.In most companies,the best forecasts will usually be seen to result from a combination of managerial estimates and other approaches to forecasting,Forecast which can be accepted as - reasonable by all are agreed upon and plans developed accordingly.

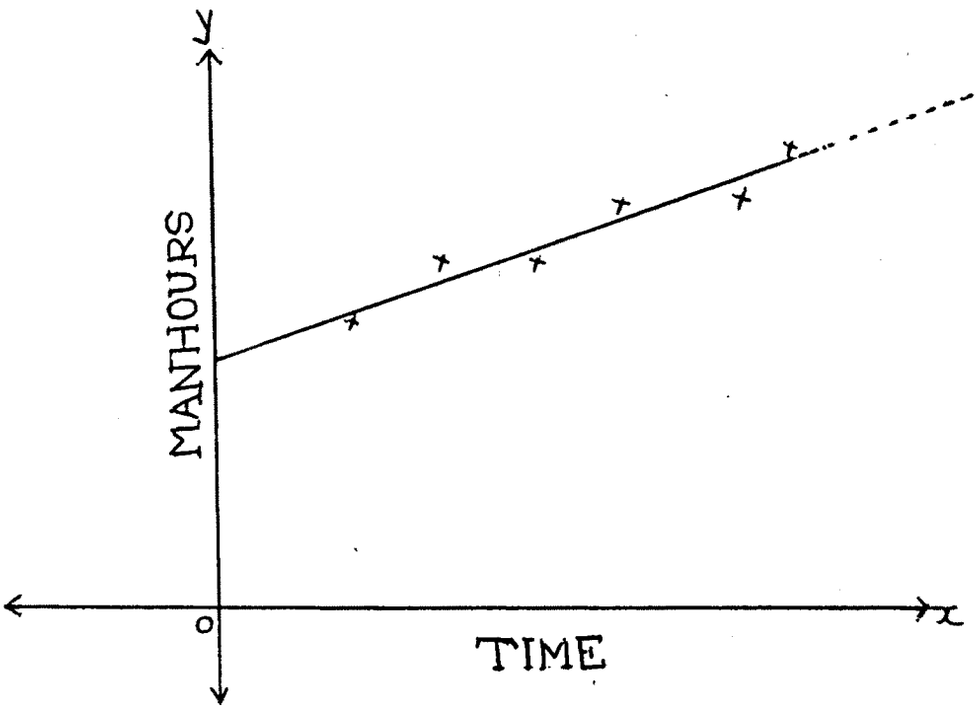
THE USE OF STATISTICAL TECHNIQUES :

In this method some Statistical approaches to manpower forecasting are considered,ranging from methods of simple extrapolations through regression or co-relation analysis,to economecric models,All these methods depend for their validity on the assumption that developments in the future will exhibit some continuity with the past.Simple extrapolation assumes that past trends will continue,regression analysis

assumes that particular relationship will hold firm; and econometric models assumes that the basic - interrelationships between a whole range of variables will be carried on future.

(A) <u>EXTRAPOLATION</u> :

Method of simple extrapolation are concerned with predicting the growth or decline of a single variable (or set of variables such as ratio) over time and can thus be illustrated in graphical form.



(Projection of Labour Requirement)

In the above diagram time is measured on "OX" Axis, and Labour Requirement (i.e. required manhours) on "OY" Axis. The first stage in the forecasting process is to identify any trend line which may show itself in such a seatter diagram, the method of simple - extrapolation consists simply of extending this line into the future.

(B) <u>REGRESSION & CO-RELATION</u> :

Method of Co-relation seek to provide a measure of the extent to which movements in the values of two or more variables example might be labour input and sales are related with each other. The aim is then to predict changes in one variable by reference to - changes in other or others.

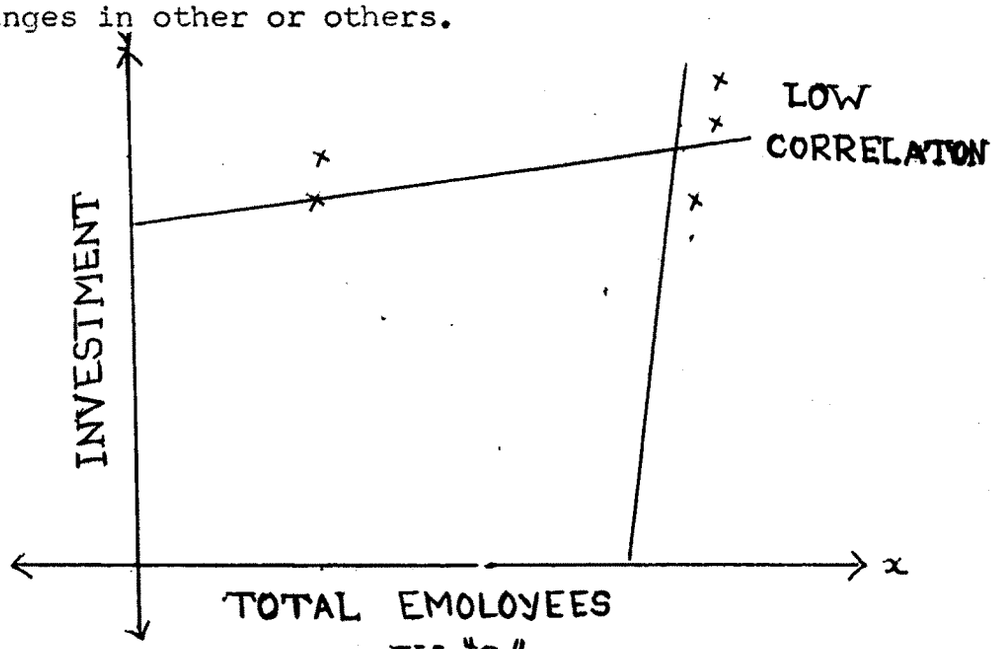


FIG "a"

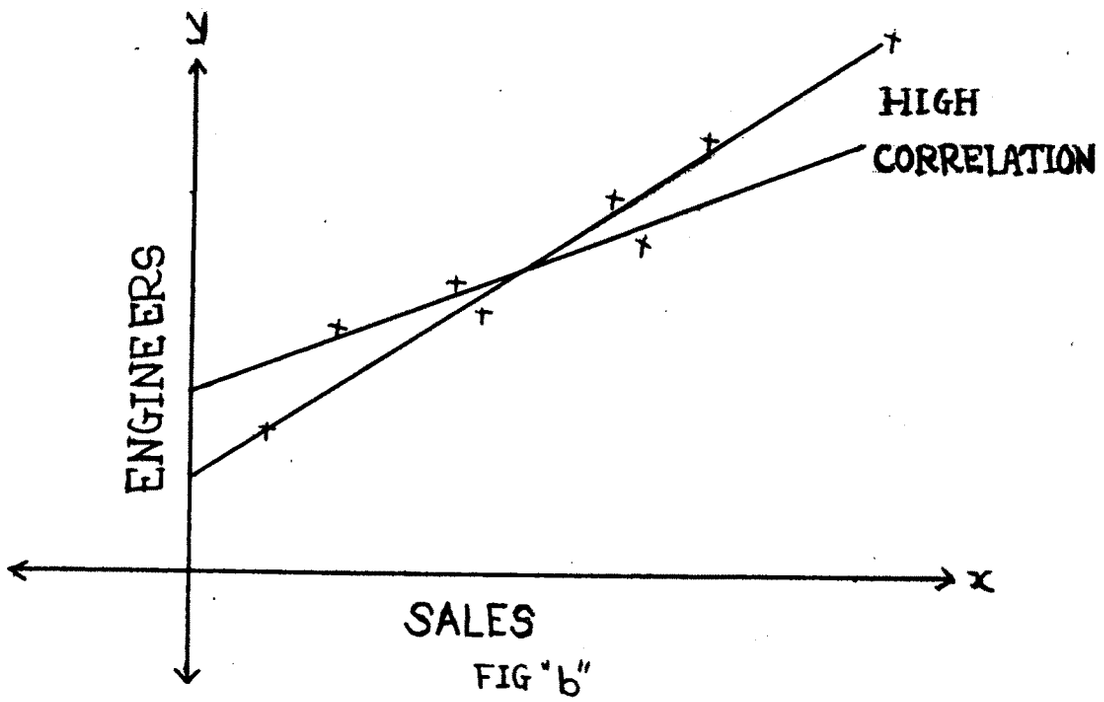


FIG "b"

When more than two variables are considered together the anylysis is known as "Multiple Regression" where only two variables are concerned the analysis is known as "Simple Regression" or Co-relation.

In figure (a) and (b) two possible relationships are examined, to see whether they might prove useful forecasting. From the first, it is clear that, in the firm in question, Labour requirements are closely related to investment. From the second, however, it - appears that the number of Engineers has in the past been fairly closely related to the level of sales. If this relationship appears likely to be continued into the future, estimates to labour required can be -

derived from prediction of sales level.The successful implementation of such methods does of course - presuppose that the firm is engaged in a thorough programme of overall business planning without this sales or other forecastings from which manpower - forecasts are to be derived will not be available.

(C) ECONOMIC MODELS :

Econometric models building differs from the Statestical method which have so far been described primarily in the complexity.Past Statestical data are analysed in the hope that it will prove possible to describe precisely the relationships between a number of variables in mathematical and Statestical terms.

The practicle difficulties are inherent in approaches of those types are considerable.The use of Complex econometric models for forecasting future - manpower needs or indeed any other variable,at the company level,is still very much in its fancy,and the efforts and cost involved in building up a satisfactory model are at the moment well beyond the reach of most companies.Any company considering such an approach would almost certainly require the assistance of a full time stastician and the manpower of detail of the

consulsions involved invariably calls for computer - time.Moreover,continuous and skillful monitoring of changing business circumstances is essential to keep any model up-to-date.However,it seens likely that, significant advance will occure in this field as the case of computers becomes more widespread and as more firms take advantage of the increasing range of - standard programmes which are becoming available for routine stastical exercises.

THE USE OF WORK STUDY :

Few companies will need to be told what as essential management tool the technique of work study has become.By helping to determine the best possible use of company resource men,materials and machine work study is one of the principal aid by which an - organisation can improve its productiveity.In addition, as it is concerned with establishing the labour and skills required in production process,it can be of great value for manpower forecasting purposes.

In common with other forecasting methods,the starting point in the Work Study based approach is usually the sales or output forecast established for

the planned period.In order to determine the manpower that will be needed,these forecast have first to be converted to a production Schedules with taking into consideration the existing stock level.The production Schedule is then spilt up into a programme of work for each of the forecast period to do this the following information is obtained :

(a) What is to be done.

(b) The quantity involved.

(c) The operations or methods needed to carry out the work.

(d) The plant,equipments and tools required.

(e) The type of labour needed.

(f) How long each operation is expected to take.

(g) The amount of labour required.

(h) How much plant and equipment of the types necessary is available.

(i) How much labour of the types is available.

THE USE OF PRODUCTIVITY IN MANPOWER FORECASTING :

This method of forecasting labour requirement looks at the way in which measures of labour productivity can be used for forecasting purposes.Conceptually,this approach is closely related to work study,both seek to determine the amount and effectivensess of the human context of the work involved in any activity.Work Study

involving a thorough analysis of the work process, seek to established the manhours needed per unit of output, productivity measurement in generally more concerned with the universe of this ratio i.e. with output per manhour.

Output (measured by gross tennage or sales) divided by labour productivity (output per manhour) gives the number of manhours required to complete the task.

But in practice, the procedure is a difficult. Accurate measures of productivity in the individual company is difficult to obtain even for the current situation. The main difficulty in productivity measure--ment arises from a company's output. While changes in labour input, overtime can be measured reasonably unambiguously in terms of manhours worked, measures of change in output may be mis-leading because of change in the firm's product mix and quality and because of fluctuations in raw material and other price level - etc.

When using productivity measurements for - forecasting the first stage is that, in other approaches is to obtain the sales forecast set by the corporate plan.

The second stage is to calculate the extent to which the productivity of the particular Department or group of workers for which forecasts are required,has increased in the past few years.A Productivity trend line is then filled to the data using one of the stastical methods mentioned in the section on stastical trends.If a pattern of productivity change appears as a constant one,the manpower planners may conclude that the trend line offers a reasonable basis for estimating future productivity.But he will certainly discuss with the managers concerned the possibilities of significant upward or downward movements in the future.

In short,manpower forecasting using productivity measurements is satisfactory so long as the two - variables,output and input are fairly easy to quantity and the rate of change in Paroductivity over a forecast period can be predicted with some confidence.

IMPORTANT POINTS FOR PLANNING :

(1) Manpower planning must be recognized as an integral part of overall business - planning.The manpower planner needs to know the company's objectives in terms of sales, markets and growth.

(2) Backing of top management is essential for manpower planning.

(3) Manpower planning, responsibilities should be centralised in order to co-ordinate consultation between management levels.

(4) Personnel and other stastical records must be complete, up-to-date and readily accessible.

(5) The forecast period should be long enough to allow remedial action to be taken.

(6) The forecasting technique selected should be that best suited to the data available and the degree of accuracy required.

(7) Forecasts should be prepared by skill - levels rather than by aggregates of workers of different skill levels.

(8) Both the forecasting techniques and the forecasts themselves, need to be constantly revised and improved in the light of experience.

SOME FINDINGS :

(1) The recruitment policy of the company forms a firm foundation to the recruiting of - employees. It is flexible and hence the company can adopt itself as and according to the circumstances.

(2) The personnel Department looks after the entire requirement affairs and hence the personnel Officer can concentrate on recruitment matter without any obstacles.

(3) The company's main source is local candidates Local candidates are given first preference and candidates from other places are given next preference.

(4) The sorting of received applications is made on the following basis :

Merit basis	:	60 %
Company's Interest	:	10 %
Employees Relatives	:	15 %
Sports and others	:	15 %

(5) The calls for interview are mostly given on merit basis.

(6) The personal interview is based on merit and twice the number of people are called than required.

(7) The budgets required for Apprentice trainning are fixed by the Government.

(8) All the candidates who pass the interview have to undergo the medical examination.

SUGGESTIONS :

(1) The recruitment advertisement should be given at least two dailies,one local and other having wide circulation.So as to attract candidates from all over.

(2) The advertisement should contain the necessary details like job title.The job discriptions,the qualifications required,the experience - required.

(3) There should not be discrimination regarding the source of employees,people from other places should also be given equal preference.

(4) Recruitment should strictly done according to the Manpower Planning.

(5) There should be co-operative and co-ordinal relations between the Personnel Department and Top Management.

(6) Effectiveness of the advertisements confined to recruitment should always be Judged so as to know the company's Public image.

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