

CHAPTER NO. III

THEORITICAL BACKGROUND ON MANPOWER MANAGEMENT

- I) CONCEPT OF MANPOWER PLANNING
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Manpower has been defined in a wide variety of ways, but most of the definitions stress that it is a process of developing and determining objectives, policies and programmes which will develop, utilise and distribute manpower so as to achieve the organisational goals, where labour is one of the most important factor of production.

#### CONCEPT OF MANPOWER PLANNING :

There is no doubt about the importance of planning for the success of any firm. But, it should be remembered that the plans made are to be executed by the men in the organisation only. So, we do not overemphasise the importance of 'Manpower Planning' when we consider it to be a very important part of the overall planning of a business firm. The factors like death, retirement, leaving the organisation by the employees etc. would cause the demand of manpower for an organisation. It is obvious that a business could not prosper if the right number of employees having required skill and qualifications is not available to it. In absence of proper manpower planning the organisation may have insufficient number of people with it, or, excess manpower than necessary. In the first case the output will be affected and in the second situation, it would mean more expenditure on the part of the firm.

NEED FOR MANPOWER PLANNING :

1. Jobs and job requirements are changing faster than in earlier periods. The pace of technological change - change in the way of goods and services are prepared and made available to consumers has accelerated.
2. The occupational structure of the work force in industrialised economics has shifted to meet changes in job. Occupations requiring the least skill and educational preparation show smaller growth; those that require more preparation are growing faster.
3. Meanwhile, within existing occupations, rising job requirements make retraining a must for many current jobholders. More time must be spent in preparation for work continued retraining makes alternate periods of work and refresher education a frequent pattern. Hence lead time getting people ready for jobs become longer.
4. Less developed nations are finding that skill shortages are a major barrier to their progress towards industrialisation. They recognize the necessity for preparing citizens for the new jobs that progress will create, and they seek to import the skill they do not have. These

These and advanced industrialized nations compete with each other for existing supplies of skilled workers. The 'Brain drain' is a matter of national concern not unlike the balance of payments in international trade.

5. National concern about levels of employment and effective utilization of manpower planning and development programmes.

6. Increased mobility of manpower resources has worked both to assist firms and nations in meeting new job requirements and to complicate manager efforts to retain qualified employees. Within the industrialized economics, human resources have achieved greater geographical mobility. Workers go to the places where jobs appear most attractive. Movement from one employer to another industrial or inter-firm mobility has been increased by public programmes that provide more timely and reliable information about job openings. As a result individual employers face greater difficulties in holding preferred employees.

At the same time, occupational mobility may have been reduced by the higher or radically different skills required by many new jobs. The former semi-skilled packing house worker may find few openings that can utilize his

skills. The operative skilled in running a newly developed machine may find such equipment in only a few localities. Such changes create problems both employers and potential employees.

7. Rising interest and activity in the total process of management planning has stimulated attention to the need for manpower planning consultants on planning have found the field attractive; with their assistance, small firms have undertaken formal planning.

8. Change in both within the organisation and in its environment are exerting pressures that necessitate more and better manpower planning. Managers face a responsibility for innovation in adapting their policy and practice to tomorrow's environment. At the same, they must be concerned about planning that can help in shaping that environment.

#### SELECTION :

The selection can be effective if applicants are attracted from the widest possible range of place. This is classified into two factors : external environment and internal environment. The inability of manpower plan will depend to the extent to which the top management

supports this kind of activity and also the ability of the manpower planner.

INTERNAL SOURCES:

Internal Sources can be utilised by three methods.

A) Promotion: Which relates the individual to take higher position involving enhanced responsibilities and higher status.

B) Upgrading: Re-training of an individual in his existing position and enable him to accomplish increasingly complex task.

C) Transfer: Transfer is useful where an individual with more abilities than those needed in his existing position and where new position provides change for potential advancement.

EXTERNAL SOURCES:

The manpower planner has to take into account varying degrees of uncertainty, political, social, economical and technological factors which will have some influence on the planning process. Manpower may be thought as the total knowledge, skills creative abilities, talents and aptitudes of an organisation's workforce, of all

the m's in management. The management of materials, machines, methods, money, motivation and manpower are all kmanagement. The important is manpower i.e. human resource. It is the most variable asset of an organisation and not the money spent on physical equipment. Human resources are utilised to the maximum possible extent in order to achieve individual and organisational goals. An organisations, performance and resulting productivity are directly proportional to the quantity and quality of its human resources.

#### MEANING OF MANPOWER PLANNING & ANALYSIS:

The phrase manpower planning and human resource planning are synonymous. In the past, the phrase manpower planning was widely used, but now the emphasis on the phrase human resource planning is more widely based.

Manpower planning is the process by which management determines how an organisation should move from its current manpower position to its desired manpower position. Through planning a management strives to have right number and right kinds of people at the right place, at the right time to do things which result in both the organisation and the individual receiving the maximum long range benefits.

KINDS OF MANPOWER PLANNING:

The types of manpower planning can be classified in two ways.

- 1) On the basis of the period for which it is done.
- 2) On the basis of the level at which it is done.

Manpoer Planning

On the basis of level		On the basis of period		
Macro level	Micro level	Short term	Medium term	Long term

Macro level:-

It is generally done by the Government and covers terms like population, projections, programmes of economic development, educational facilities, occupational distribution and growth.

Micro level:-

Manpower planning is important at the level of business unit because it decides various measures to be take such as recruitment, selection, promotion, trainin, transfer, etc. By a business unit, manpower planning may be carried out at corporate divisional or plant level. It is done to determine the effects of anticipated changes



in technology market and products on manpower requirements. In order to fulfill future manpower requirements, this manpower planning is possible at three levels.

LONG-TERM MANPOWER :

Long-term manpower means a planning of personnel for more than two years. It is concerned with filling future vacancies rather than the present incumbents to present jobs. The long run manpower planning has following four elements.

- a) Manpower inventory and analysis,
- b) Manpower development,
- c) Projecting manpower requirements,
- d) Recruitment and selection.

MEDIUM-TERM MANPOWER :

The manpower plans prepared for the period of 2 to 5 years is considered to be a medium term plan. At national level medium term plans are essentially prepared as a part of financial planning.

SHORT-TERM MANPOWER :

Short term planning is made for a short time for a period of not more than two years. It is more involved with specific projects and programmes and the existing personnel must be adjusted to match the requirements of the project and programme.

Coleman has defined manpower planning as "the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation."

According to E.B. Geisler "Manpower planning is the process including forecasting, developing and controlling by which a firm ensures that it has the right number of people and the right kind of people at the right place and the right time doing work for which they are economically most useful."

According to Wickstrom "Manpower planning consists of a series of activities."

1. Forecasting future manpower requirements either in terms of mathematical projections of trends in the economic environment and development in industry or in terms of judgemental estimates based upon the specific future plans of a Karkhana.
2. Anticipating manpower problem by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy both quantitatively and qualitatively.

3. Marketing an inventory of present manpower resources and assessing the extent to which these resources are employed optionally.

MANPOWER MANAGEMENT :

Four determinates of the final manpower plan are -

- i) Manpower utilization.
- ii) Manpower supply.
- iii) Training.
- iv) Personnel policies.

Let us see the effect of all these four factors on manpower planning.

i) MANPOWER UTILIZATION :

The present manpower should be used best for the advantage of the business. Maximum productivity should be achieved for this. This can be done if two factors are taken care of.

First, all the employees should be so placed that all the jobs are done most efficiently. For this job analysis is necessary. Equilibrium should be maintained between what a job demands of an employee and what the employee can do. This is nothing but placing the right man on a right job.



Secondly the jobs should be assigned to employees in such a way that they derive greatest job satisfaction. For this, factors like zeal of an employee, individual behaviour, group behaviour, Leadership etc. should be studied.

Manning ratio can be used to see whether maximum productivity is being achieved. This ratio takes proportion of number of employees in the company to total productivity. Manning ratio can only show the level of productivity but cannot give reasons for low productivity. For this, tests like time-study, motion study etc. are performed and the results are implemented. Manpower plan should show the means to increase the productivity of employees.

ii) MANPOWER SUPPLY :

In manpower plan, the action necessary to equate manpower requirements and supply are given. Arrangements for internal supply are also mentioned. If there are difficulties in obtaining manpower from external sources, the steps to do away with these difficulties should also be shown.

While thinking of internal supply, promotion policy is also formulated or modified, if necessary. In accordance with future requirements, suggestions to make promotions speedier or slower can be made. The fact that dissatisfaction may arise in employees promotions are delayed should also be considered.

For development of employees manpower planner should also think of transfers. Transfers can be suggested keeping in view manpower requirements.

If employees in a department are found to be more than future requirements and if it is not possible to absorb them by transfer or promotion, plan for dismissal of some of them should also be prepared in advance.

iii) TRAINING :

If it is found that a certain type of trained employee will be required in future, necessary training should be planned. New recruits should be imparted initial training. While development programmes should be imparted initial training. While development programme should be undertaken for betterment of current and experienced employees.

iv) PERSONNEL POLICIES :

Personnel policies affect manpower supply. Personnel policies not only affect scopes for recruitment but also the survival rate of current employees salaries, conditions of service etc. are important for this purpose.

Whether present employees would continue for a long time in the organisation depends upon personnel policies. The manpower planner should study present situation of personnel policies and suggest modifications, if necessary.

ADVANTAGES OF MANPOWER PLANNING :

The importance of manpower planning has been recognised by western countries. In India, much attention is not being given towards this section of planning. If manpower planning is practised in its true perspective, following gains can be achieved.

1) Arrangements for recruiting new employees or training current employees can be made, keeping future manpower needs in mind. As a result, the company's production or any work for that matter, does not stop for lack of employees.

2) When present employees are trained for some higher positions, their spirits soar higher. Such psychological effects are much desired in a firm to keep up the worker's morale.

3) While carrying on the process of manpower planning deficiencies of the personnel of the organisation can be noticed. Training programmes can be undertaken to cover up these deficiencies. In this way, present manpower can be made more efficient.

4) Though the employment is a burning problem of India, Scarcity of skilled and efficient persons to occupy top management positions is always felt. In such a situation, manpower needs can be fulfilled by training intelligent and efficient people in the organisation.

5) In some manufacturing concerns, labour charges constitute 25 to 40 percent of total cost of production. In certain units engaged in providing services, salaries form 50 to 60 percent of total expenditure. To control these costs effectively, manpower planning is a must.

6) Manpower planning can guarantee the availability of persons with required skills for long term plans.

7) Manpower planning tries to see that there is no excess or lack of manpower in future.

If there is excess manpower it would mean additional costs for the company. Also, the company may not be in a position to retrench workers because of powerful trade unions.

On the other hand, lack of manpower would mean a fall in output and consequently fall in profitability of the firm.

#### LIMITATIONS OF MANPOWER PLANNING:

There is no dispute over usefulness of manpower planning, but a few limitations of manpower planning should also be enlisted -

1. Future is uncertain. Changes in technology, social values, political ideologies, economic conditions etc. can not be forecast with certainty. We can only say that probability of happening a particular thing is more. The manpower planning based on this uncertain assumptions may prove dangerous at times. However, those who favour of manpower planning argue that it is better to try our best and plan, rather than leaving all our actions to luck.



2. We can forecast how many vacancies would be created at a future time. But we cannot show where particularly the vacancies would arise. So no certain steps can be taken as far as new recruitments are concerned.

3. Many a time, top management does not extend their co-operation when manpower planning is thought about. Conservation administrators think that there is no need of manpower planning in India because of high rate of unemployment and abundance of labour in this country. The lack of interest on part of top managers is also a vital limitation to success of manpower planning.

We see that there are no intrinsic drawbacks of manpower planning. Its limitations arise from uncertainty of predictions, methods used and behaviour of management. As there continuous to be more and more research in this field, manpower planning is due to become more accurate.

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One of the main requirements is to know how well the existing manpower is utilized. It helps the manpower planner a great deal by providing a sound basis for improving their performance, through proper training and development.

In addition, it also enables the planner to identify the individuals who are potentially able to take on bigger responsibility.

In order to make this exercise meaningful it is important that the manpower inventory is as complete and detailed as possible. A manpower inventory does not consist of just the head count but it takes into account many activities.

The head count attempts to answer the question 'How many employees do we have ?' It is not surprising that it has floored more than one personnel executive. The planner must know exactly how many there are in each piece of the organisation. To make the picture complete, it must tell how many employees the organisation has -

- a) in each department.
- b) in each section.
- c) in each unit.
- d) under each payscale.
- e) of either sex (i.e. male, female)
- f) of each age group and so on.



A collection of people contains an accumulation of individual skills and abilities, which enhance the total synergy effect. Hence the manpower inventory must provide a detailed analysis of these skills.

The skills inventory should provide valid information about professional and technical skills. The realisation of skills possessed by individual employees increases the opportunities for promotion and transfer. By providing a guide to individual growth it can assist in personnel growth. By gathering information on skills the planning could be made effective. A skills inventory reveals what skills are immediately required. It will also tell what skills are not available or should be developed further in order to meet a particular situation.

The planner may decide the mode of preparing its skills inventory. No matter which method is used, it should give the planner the following information.

1. Education, qualification and experience.
2. Linguistic ability.
3. Work experience.
4. Expertise.
5. Other skills and abilities.

At the first stage, this inventory may take the form of a summary of paper qualification and show the

number of undergraduates etc. A further breakdown should separate a science graduate from a management graduate and so on. The purpose of such analysis is to provide answer to the questions likely to be proposed by the organisation. Hence the information which is unlikely to be used is of little value.

The other factors which should be taken into account are -

a) Age structure in management :

With increasing number of younger men reaching high managerial position, the age distribution within the management group may serve as a pointer to indicate the trouble areas.

b) Age distribution analysis:

This would show an over all age distribution. Study of such analysis can point out the areas which have age distribution problems.

c) Age grade distribution:

Grade provides a basis for finer analysis against age gaps in the pattern may indicate succession problems likely to occur in future.

iv) Manpower Audit:

Manpower Audit, the systematic examination, will produce descriptive statements of the manpower environment. The skills inventory calls for collection of data, while the manpower unit requires analysis or systematic examination of the data. Manpower audit describes the collection of data together with its analysis. After this ratios and trends affecting the manpower resources situation are calculated.

The Manpower Audit seeks answers to the specific questions such as -

1. What is the picture of starts and terminations?
2. What is the picture of absences ?
3. Which type of labour is difficult to recruit?  
Easy to find ? Has this always been so ?
4. What is the picture of salary and age distribution of terminations and absences ?
5. What are the trends in the labour market for the skills we need ? Are we paying the competitive rates.
6. Why do people leave us to work elsewhere?  
Can we make our employment more attractive?

- 7) What is the situation in near by regions?  
Where do our recruits come from ?
- 8) Is local government policy on housing development going to increase the labour force in the area; or, is its policy on industrial development going to place an increase strain on local skill resources and so on.

v) Assessment of the Market Supply Situation:

The manpower inventory is concerned mainly with existing employees. Knowledge of the availability of various types of manpower for employment is a valuable subsidiary aid, especially if the manpower plan which follows asks for substantial additional help. Collection of data on a very wide range of employee categories under this heading would be difficult, although a large company may consider it worthwhile. More often they list those categories which have some indication of recruitment difficulty and those likely to be required in bulk.

Reports are completed most easily by the recruitment officer as the individual incloset touch with the manpower market, but many other people may add some intelligence report to the picture. For example, news of some redundancy may indicate that categories of staff normally

in short supply are temporarily available.

The report should be as specific as possible and should tell the planner when, where and at price the manpower would be available. For example, people may be available from another industry but need training before becoming effective. The type and length of training required must be known if the data are to be usable.

vi) Estimating Manpower Supply:

After determining manpower needs of a Karkhana, the manpower planner should think about the supply of manpower to fulfil the needs. There are two types of resources for manpower supply viz. internal resources and external resources.

1) Manpower supply from internal resources:

The manpower supply from internal resources depends on two factors. They are (i) The extent to which the present employees survive in the organisation, and (ii) The rate of internal turnover ( i.e. transfer, promotion etc.) of personnel in the organisation.

We thought much of stability of labour in a firm. But in a business internal movements of employees also go on continuously. For example, vacancies in

a department may be created by transfer of a number of employees from that department to some other department. Similarly, a vacancies would be created when a person is promoted. These vacancies are to be filled up by new recruitments. So manpower planner should give due importance to this internal movement of labour.

2) Manpower supply from external sources:

Manpower planner would have to think out the ways and means to get the number and type of personnel as determined by forecasts of manpower needs of a firm.



CHAPTER NO. IV

PROMOTION

- I) RESERVATION IN PROMOTION
- II) PROMOTION OF CORPORATE LEVEL



P R O M O T I O N

Opportunities for advancement in service is one of the best incentives as organisation can provide to its employees. The desire to advance and increase ones status is a basic urge in all human beings. Satisfaction of that desire keeps most people serving for high status better pay which in turns improves their standard of living, morale and job satisfaction. The promotion is one of the best forms of incentives which generates a sense of loyalty to be organisation and keeps the employees busy in investing their sincere efforts in the hope of gettin further promotion.

Promotion is an advancement of an employee to better job, better interms of greater responsibilities, morew prestige or status, greater skill and especially increased rate of pay of salary.

Promotion in MCL is done through various methods-

- a) Through selection.
- b) On seniority basis.
- c) Limited departmental exams.

72% of total vacancies are filled through promotion from within the Karkhana. Every employee in the Karkhana

becomes eligible for promotion after the completion of three years of his service. In case no promotion is given to him even after the completion of five years of his service due to lack of vacancies he is provided by senior grade to the same post and additional increment is given to him.

RESERVATION IN PROMOTION

- a) Post filled by promotion through limited departmental competitive exams within the groups B, C and D in which the element of direct recruitment if any does not exceed 66.2/3%

Reservation for SC 15%

Reservation for ST 7½%.

- b) Posts filled by promotion made by selection from group 'B' to the lowest ranger category in group 'A' and recruitment if any does not exceeds 66.2/3%.

Reservation for SC 15%

Reservation for ST 7½%

- c) Posts filled by promotion on the basis of seniority subject to fitness in group A, B, C and D. Posts in grade or service in which the element of direct recruitment. If any case does not exceeds 66.2/3%.

Reservation for SC 15%

Reservation for ST 7½%

The above reservation will not be applicable to

- i) Vacancies filled by transfer or by deputation.
- ii) Temporary appointment of less than 45 days duration.
- iii) Those work charged posts, which are required for emergencies like food relief work.
- iv) Scientific & Technical posts required for research etc.

The reservation of schedule castes and schedule tribes apply also to appointments made to scientific and technical posts upto include the lowest grade of group 'A' in the respective services and such posts are not exempted from the purview of the reservation orders.

PROMOTION OF CORPORATE LEVEL/UNIT LEVEL :

Posts in the scale of Rs.1560/- to 2160/- and above will be considered as corporate level posts and promotion to these posts will be made on corporate basis from amongst the eligible employees working in the unit, central marketing office as well as head office. The

responsibility for assessment and promotion to such posts will devolve on the Personnel department at the corporate level.

All posts in group B, C and D and also posts in the scale of Rs.1060 to 1870/- of group 'A' will be considered as unit level posts and promotion to these posts in each of the unit central marketing office and also in head office will be made from amongst eligible employees, working in the concerned unit central marketing office of head office as the case may be.

Comparative statement showing number of promotions taken place by three employee of MCL Bathinda (Say X, Y and Z) trainee and a regular employee respectively.