Question 1.
What do you understand by the term Human Resource Planning? Explain the need for human resource planning in the service industry with the help of relevant examples.

Ans:
Human resource planning is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset — its human resources. The objective of HRP is to ensure the best fit between employees and jobs while avoiding manpower shortages or surpluses. The four key steps of the HRP process are analyzing present labor supply, forecasting labor demand, balancing projected labor demand with supply and supporting organizational goals.

The HRP needs to be flexible enough to meet short-term staffing challenges while adapting to changing conditions in the business environment over the longer term. HRP starts by assessing and auditing the current capacity of human resources.

The first step of human resource planning is to identify the company's strengths and weaknesses in the current labor pool. This is when a company performs a comprehensive audit of the skills, demographics, qualifications, experience and compensation of every worker. HR then has to determine if these statistics fit in line with the company's goals. Does the firm need to hire more staff to compete in a future marketplace, or are more automated tools necessary to capture more market share from competitors? Is the status quo acceptable, or should the company reorganize its staff so it can make more money?

HR forecasts demand based on the strategic goals of the company. HR managers may examine market trends, industry analyses and technological improvements to come up with ways to meet the company's goals. Forecasting retirements is also one major facet that needs consideration when businesses assess future staffing levels. Does the company need to replace retired employees, or can new technology do the job? Does a company need more full-time workers, part-time help or outsourced labor?

The next step involves balancing supply and demand. At this point, HR creates a gap analysis that lays out specific needs to narrow the supply of the company's labor versus future demand. Should employees learn new skills? Does the company need more managers? Do all employees play to their strengths in their current roles?

The answers to these questions let HR determine how to proceed, which is the final phase of the HRP process. HR must now take practical steps to integrate its plan with the rest of the company. The department needs a budget, the ability to implement the plan and a collaborative effort with all departments to make the plan happen.

The goal of HR planning is to have the optimal number of staff to make the most money for the company. Because the goals and strategies of the company change over time, HRP is a regular occurrence.

Question 2. What is the difference between man power demand and supply forecasting? Discuss the methods of manpower supply forecasting.

Ans: Manpower Forecasting is the first step of the entire manpower planning activity. The HR manager foresees the demand and supply of different types of manpower resources in the firm. The basic idea is to look into which department; unit or level there is a shortage or surplus of human requirements. Forecasting is the process of making judgments about accrued events whose actual outcomes have not been seen. Successful manpower planning involves only two critical steps. First one is estimating the Demand Forecast for manpower accurately and the second one is ensuring the Supply Forecast for manpower to meet the Demand Forecast. Demand forecasting and Supply Forecasting go hand in hand. The job of the manpower planner is to take suitable steps to bridge the gap between Demand and Supply by understanding the trends that occur due to dynamic business environment and estimating intensively the future needs of an enterprise. In the absence of any systematic work in this direction, there is a high probability that an organisation may face many surprises in terms of human resource requirements and therefore be unable to cope up with the future challenges. The absence of the right persons at the right time may prohibit the fullest accomplishment of corporate plans. It may also lead to incur losses because of the organisations' inability to cash in the opportunities which necessitate both Demand Forecasting as well as Supply Forecasting.

The basic rationality of manpower forecasts is the long gestation lags in the production of skilled professional people. Manpower forecasts well in advance facilitate planning of education and training. It is an effort to ensure that manpower required both in terms of quality and quantities are available at the time when they are needed.

The second major reason of manpower forecast is the imperfections in the labour market. Markets for manpower with long lead time for production are characterised by long lags in the supply side and short lags, on the demand side. Therefore supply is to be planned in order to meet the demand. If that does not happen, there is a high probability that the labour market may lead to distortions in occupation-education correspondence. As a result of which there could be a huge educated unemployment or with people taking up occupations for which they are not adequately trained or both. Manpower Forecasts are expected to facilitate correction of labour market distortions.