

B.COM.SEMESTER-5		
4	MINOR4	BUSINESS ADMINISTRATION-4 (HUMAN RESOURCE MANAGEMENT-2)

Name of the Course: **Business administration-4(Human Resource Management-2)**

Total marks: **100**

PARTICULAR		NO.OF LECTURE
UNIT NO. 1: HUMAN RESOURCE PLANNING		
- Introduction- Meaning and Concept- Basic elements of HRP - Needs and Corporate objectives of HRP - Type and Process-Stages of HRP - Affecting factors to HRP - Importance and Hindrances of HRP - Pre-requisites for HRP - Human Resource Information System[HRIS]		15
UNIT NO. 2: PERFORMANCE APPRAISAL AND COMPENSATION MANAGEMENT		
- Performance Appraisal - Nature, objectives and process; Performance management; Methods of performance appraisal; Potential appraisal; Employee counseling; Job changes - Transfers and promotions. - Compensation Management - Concept and policies, Base and supplementary compensation; Individual, group and organization incentive plans; Fringe benefits; Performance linked compensation; Employee stock option; Pay band compensation system; Job evaluation.		15
UNIT NO. 3: MANAGING EMPLOYEE BENEFITS AND WELFARE SERVICES		
- Introduction-Meaning and Concept - HR Welfare-Meaning-Definition-Aims-Objectives-Need-Importance - HR Welfare Scope and Activities - HR Health and Safety-steps and legal provisions - Social Security-Meaning-Objectives-Ways-Means-Affecting Factors - Social Security-Indian scene		15
UNIT NO.4: INDUSTRIAL DISPUTES AND TRADE UNIONS		
- Introduction - Industrial Disputes: ➤ Meaning-Nature and Forms-Causes and Effects-Steps to Resolve ➤ Disputes-Grievance-handling and redressal- Legal provisions and ➤ Preventive Measures - Trade Unions: ➤ Meaning-definition-Origin and Importance-Types-functions and ➤ Activities-Indian scene(Activities-weaknesses-reason of slow ➤ Development-suggestions and legal provisions)		15
Total Lectures/Hours		60

UNIT:1. HUMAN RESOURCE PLANNING

Introduction:

Human resource planning is an important part of the overall planning of an organization no business can achieve success without efficient employee. HRP helps an organization determine the number and types of employees needed both now the future.

Without proper HRP a business may face problems such as over staffing or under staffing. Both situation can reduce productivity, increase cost and affect profits.

The main purpose of HRP are:

1. To make the best use of existing employees.
2. To meet future main power requirement.
3. To ensure the right person is available for the right job at the right time.

There for HRP is essential for the smooth functioning and growth of any business organization.

Definition:

HRP is the process of for casting and organization. Future human resource needs and ensuring that the right number of qualified employees are available at the right time. To achieve organization goals.

According A.R. Smith, "Human resource planning involves the projection of main power demand. The projection of main power supply and action to bring supply and demand into a balance at a desirable level."

Ingredients of human resources:

- 1) Manpower inventory
- 2) Estimating future requirements
- 3) Estimating manpower supply
- 4) Balancing of supply and demand
- 5) Beneficial to both parties
- 6) Integrated approach

1) Manpower inventory:

This involves taking and inventory existing personal in all departments. This is necessary to compare what exist in stock with what is required in future. Thus, the starting point of manpower planning is the inventory of current manpower. This inventory of which type of employees and officers. With what ability and in what number is useful in for casting the future demand.

2) Estimating future requirements:

The future vacancy for manpower needs to the org must be anticipated the manpower for cast is concerned with anticipating the number of replacement caused by deaths, dismiak, retirement, transfer and promotions in addition to this they must be a for cast of the number of employees needed e of planet exception of business.

3) Estimating manpower supply:

Supply for casting is an important aspect of manpower planning. It is concern with for casting the number of employees that would be available to the organization. For this purpose the manpower is classified by specialization and skills. It is determined whether the employees of

the needed type and skill will be available required number. For this purpose the statistical methods are used.

4) Balancing of supply demand:

The planning process aims to bring supply and demand in equilibrium the exemption of the business is to be kept in view the availability of types of employees required. In case of shortages either exemption programme is revised or measures are taken to remove shortages through fresh requirement, promotions, training and transfer etc.

5) Beneficial to both parties:

HRP is of great benefit to employers and employees both if HRP results into optimum use of human resources maximum profits are earned also. HRP includes running and skill development for the employees. Which is a personal benefit to the employees.

6) Integrated approach:

Since various functions of personal management are closely interlinked and integrated approach is possible due to human resource planning.

Q.2) Characteristics of HRP:

1. Managerial function
2. Beneficial to both parties
3. Top management's responsibility
4. For all employees
5. Modern concept
6. All aspect of personnel
7. Planning for long term and short term
8. Beneficial society

1. Managerial function:

HRP is a core responsibility of management. To combine human talent with physical resource in a way that maximize organizational profits.

2. Beneficial to both parties:

It reduce operational costs for employers while providing workers with jobs matching their skills offering them financial and physiological benefits.

3. Top management's responsibility:

While routine task like transfers are assigned to lower official but planning of human resources of the organization is undertaken by the top level management.

4. For all employees:

HRP is covered every level of the work force including ordinary labors, clerks, supervisors, foreman and high level managerial staff.

5. Modern concept:

It moves away from the old ideology of treating works like machines, recognizing personal management as an essential modern pillar of business planning.

6. All aspect of personnel:

It is a comprehensive process that covers requirements section. Promotion, transfer, training, guidance, retirement and employee evaluation.

7. Planning for long term and short term:

It balances immediately short term requirements with strategies long term plans to achieve the organizations future goals.

8. Beneficial society:

Proper execution of HRP benefits the community by optimizing resources use maximizing production expanding employment opportunities and raising the general standard of living.

Q.3) Need for human resource planning:

1. Socialist ideology
2. Modern view point
3. Planning in all fields
4. Reducing labor cost
5. Technological changes
6. Balancing demand and supply
7. Government restriction

1. Socialist ideology:

With the raise of powerful trade unions and welfare. State ideals management can no longer make decisions regarding recruitment wages or dismissals long term impact must be carefully planet.

2. Modern view point:

Employees are viewed as an integral part of the business enterprises. Therefore human resources decision must be in comfortive with the plans and functioning of the go whole concern.

3. Planning in all fields:

Because human being are central to every organizational activity. Human resources planning is required at all levels of management for a business to flourish.

4. Reducing labor cost:

Since management cannot easily cut raising wages due to minimum wage legislation and trade unions the only way to minimize labor cost is optimize productivity threw strategic planning.

5. Technological changes:

In this age of science and technology new techniques of production are being fast invented and introduced. Since new techniques are much more complicated it becomes to necessary to employee skilled level to impaired training to the present staff. All this functions can be systematically performed threw human resources planning only.

6. Balancing demand and supply:

The basic aim of the human resource planning is to ensure that manpower requirements are fully made with at right time and place. Sometimes there maybe a shortage of skilled labor in the midst of high rate of unemployment in the country. This factor create and imbalance between demand and supply of labor.

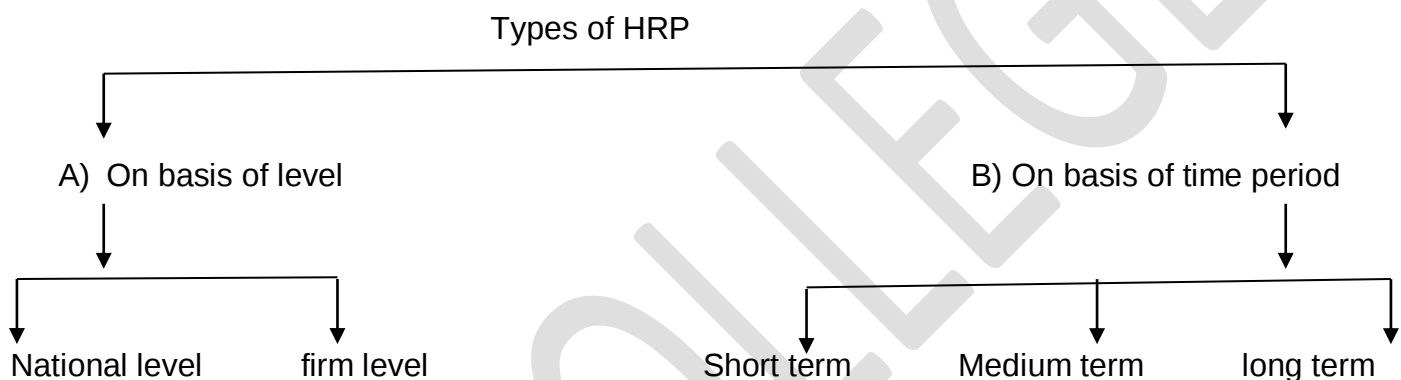
7. Government restriction:

Government restrictions relating to aspects of personal have increased consider ability during the last few years. There is series of government rules and regulation regarding recruitment, retirement, dismissals, pay scale, pension etc due to government restriction labor problems have been become go complicated that they can't be solved without HRP.

Q.4) Objectives of human resource planning:

- 1) To ensure optimum use of current employees of the organization.
- 2) For achieving the objectives of the whole organization forecasting of the nature requirements is to be made.
- 3) For the creating of availability of the necessary resources provide control measures.
- 4) To assess correct estimate of manpower requirements and make optimum use of manpower. This way keep a balance between employee demand and supply.
- 5) Determine plans for the employee training and development and make schedule for it.
- 6) Reduction in labor costs by making better use of employees.
- 7) For the achievement of organizations objectives collect information for necessary requirements of employees and their qualifications for it.

Q.5) Types of HRP:



A) On the basis of level of human resource planning:

From the view point of the level of human resource planning .we may refer to 1) human resource planning at the national level. 2) human resource planning at the firm level.

1) Human resource planning at the national level:

Human resource planning at the national level is adopted with a view to achieving full employment of labor another aim is to ensure that available labor is utilized in a manner which is consistent with the development objective of the economic planning. HRP at the national level is all the more necessary there is a labor cost which can helps speed a the growth rate of the economy. In india the manpower planning is the responsibility of the planning commission while formulating five years plans it prepares the programs of development of the industry agriculture and other sectors of the economy. There are for aspect of human resource planning at the national level which must be considered together. There are,

1. The magnetite of human resources and provision of training facilities to them.
2. Total population and total number of employment opportunities.
3. The utilization and allocation of labor force.
4. Human skill and it's development.

2) Human resource planning at the firm level:

Purpose:

- Just like national planning, a business needs to forecast its future labor requirements to adjust to a continuously changing dynamic world. This helps ensure an adequate labor force through recruitment, training, and promotion.

Levels of Planning:

- Planning can occur at various levels—departments, workshops, the board of directors, or all simultaneously. Departmental Level Benefits: Planning at the lowest (departmental) level is highly advantageous because it utilizes the direct knowledge of those in close contact with employees and involves the executioners in the design process, increasing the chances of success.

The Process:

- A working committee analyzes past labor data to estimate needs for the coming year.
- A final draft is prepared with experts, projecting needs for the next 4 to 5 years.
- This draft is submitted to top-level management, who integrate departmental plans to align with the overall objectives of the business.

B) On the basis of the time period:

- 1) Short Term Human Resource Planning: Covers a period of one year or less. At the company level, it is often incorporated into the annual plan to match current employees with their current jobs, focusing on raising immediate efficiency through training and transfers.
- 2) Medium Term Human Resource Planning: Covers a period of two to five years. At the national level, it aligns with five-year development plans to create employment opportunities. At the company level, it focuses on training and developing skills among employees to ensure adequate skilled labor is available within five years.
- 3) Long Term Human Resource Planning: Covers a period of ten to fifteen years. It involves long-term forecasting of labor requirements for the entire economy to plan matching education and training facilities. At the company level, it is used only when planning long-term business.

Q. 6) Factor affecting human resource planning:

A. Internal Factors:

Top Management's Policy: Policies influencing employee satisfaction and turnover rates.

Business Size: Larger businesses require a greater amount of labor.

Financial Resources: Determines budget availability for recruitment, training, and development programs.

Production Technique: Labor-intensive techniques require more workers, while capital-intensive or modern technology requires fewer but more highly skilled workers.

B. External Factors

Technological Factors: Automation, mechanization, and new methods alter the quantity and skill types required.

Social Factors: Population size, age structure, education/training, social mobility, and employment policies shape local labor supply.

Economic Factors: Growth rates, trade cycles (booms or depressions), and structural changes dictate labor needs and distribution.

Political Factors: Government regulations, foreign policies, industrial laws (wages, recruitment, unions), and trade restrictions impact industrial development and labor availability.

Q.7) Methods for collecting manpower information:

1. Manpower Inventory

Definition: A literal count of the total number of existing personnel currently available in the organization.

Details Breakdown: It categorizes staff data by department, pay scale, sex, age, qualifications, and training.

Tools: Often utilizes tools like "Manning tables" (which list all jobs and current occupants) and "Replacement schedules" to map out future organizational needs.

2. Skills Inventory

Definition: An assessment highlighting the specific skills, capabilities, and technical qualifications of employees across all levels.

Purpose: It assesses unutilized talents, educational backgrounds, language proficiencies, and past experiences. This inventory helps leadership make decisions regarding company expansion, talent training, and employee promotions.

3. Manpower Audit

Definition: A systematic evaluation that reviews, analyzes, and interprets the data compiled from both the manpower and skills inventories.

Purpose: It uses calculations and ratios to solve key workforce puzzles such as:

- Managing recruitment, discharge, and absenteeism rates.
- Finding out why employees leave the company.
- Reviewing pay scales, training costs, and competitive market wages.

Q 8) Factor affecting manpower demand:

1) Trends of Employment

Definition: Looking at past data (typically the last 5 years) to understand employee retention tendencies.

Purpose: It helps planners identify whether the workforce is stable, expanding, or contracting to predict future labor needs.

2) Replacement Needs

Definition:

- Filling job vacancies that occur when current workers leave.
- Predictable Vacancies: Retirement dates provide highly accurate numbers for expected openings.
- Unpredictable Vacancies: Openings caused by deaths, dismissals, resignations, transfers, and promotions can be roughly estimated using past organizational records and performance reviews.

3) Productivity Changes

Definition: Changes in labor productivity alter how many workers an organization needs.

Impact Drivers: Demand can shift based on work-study/motion-study adjustments, up skilling employees, or introducing new technology like office and factory automation.

4) Expansion & Development

Definition: Growth strategies directly increase the overall manpower requirements.

Purpose: Management must study development plans across departments and factories to create precise estimates. Rapid technological changes make professional training increasingly vital when planning for long-term expansion.

Q.9) Advantages of human resource planning:

Providing for Future Demand: Correctly identifies future labor needs to make early arrangements for recruitment or training, ensuring production is never disrupted by labor shortages.

High Morale of the Workers: Providing training and timely promotions to deserving staff boosts psychological well-being, inspiring employees to work at peak efficiency.

Improvement in Efficiency: Evaluating workers helps unearth and fix low-productivity deficiencies by designing targeted training programs.

Availability of Skilled Manpower: Addresses the shortage of high-level managerial and technical skills by training internal promising talent. **Control of Labour Cost:** Labor constitutes a major chunk of production costs (25% to 40% in manufacturing and 50% to 60% in services). HRP controls these expenses to ensure a higher rate of return on investment.

Implementation of Long-Term Plans: The success of long-term organizational development plans relies entirely on assuring an adequate supply of skilled personnel in advance.

Balance between Demand and Supply: Scientific planning prevents both a shortage of labor and the financial drainage of excess labor (which cannot easily be dismissed due to strong trade unions).

Q.10) Limitation of human resource planning:

Estimates Not Always Accurate: Because economic conditions, technology, labor availability, and sales fluctuate continuously, long-term forecasts of labor demand can frequently turn out wrong.

Lack of Information about Vacancies: It is incredibly difficult to accurately predict or obtain advanced information on sudden vacancies caused by employee resignations, dismissals, or deaths.

Lack of Cooperation from the Top: Some top management executives believe that because labor is readily available, spending time and energy on precise planning is useless, leading to a lack of institutional support.

Lack of Information: Accurate formulation requires reliable data on external labor supplies, but in large countries like India, reliable statistical information regarding external labor markets is often unavailable.

Q.11) Guidelines (Pre-requisites) for effective human resource planning:

There are certain guiding principles for successful human resource planning:

- a) The human resources must be well aware of the objectives of organization.
- b) Support of top level management is very essential for making effective human resource planning.
- c) There must be proper allocation of duties and responsibilities as well as co-ordination between levels of management.
- d) There must be complete records of manpower resources and the same must be readily available.
- e) The plan should be made in detail, specifically considering cost aspects.
- f) Plans must be easy to understand.

Q.12) Human resource information system (HRIS):

1. Meaning and Purpose

Definition: HRIS is a systematic method used to collect, store, and manage data for individual employees to assist in planning, decision-making, and reporting.

Purpose: It provides a reliable base for daily administration (like tracking leave), long-term organizational planning, and submitting necessary data to government agencies.

2. Applications and Uses

HRIS is applied across various core HR functions, including:

- Personnel, salary, and leave administration.
- Monitoring skill inventories, medical histories, and workplace accidents.
- Supporting performance appraisals, recruitment, career planning, and collective bargaining.

3. Design, Advantages, and Limitations

Designing: The process involves four core steps: Planning the system, Organizing the flow of information, Implementation, and Feedback.

Advantages: It speeds up data retrieval, reduces duplicate tasks, cuts costs, and improves report quality and organizational transparency.

Limitations: It can be expensive to implement, face employee resistance, suffer from data errors (GIGO—"Garbage In, Garbage Out"), and requires constant system updates.

OM COLLEGE