

Different Perspectives on Human Resource Planning: A Literature Review

Ashish Arya

Faculty of Management Studies, Gurukula Kangri Vishwavidyalaya, Haridwar, Uttarakhand, India

Abstract

One of the key tasks of human resource department is to continuously match the current and desired human resources need of the organization by performing human resource planning. The moment there is a negative gap, the organization will be in stress. A sound Human Resource Planning (HRP) along with timely based review process can help organizations to improve its performance. The paper covers an insight into some key perspectives, on which HRP has been studied. Though the major development in HRP can broadly be classified into two categories one dealing with mathematical and another dealing with non-mathematical development in this field; chronological approach has been used for the study purpose.

Keywords

Human Resource Planning, HRP, Manpower Planning, Employee Quality, Employee Quantity.

I. Introduction

The organization to meet its long-term and even short-term objectives, needs conversion oriented manpower not only in quantity but in quality also; and, which can be assisted by sound HRP. A good amount of work has been done in this field. Before moving on to some core literature on HRP, it's important to understand the term; and on the basis of it, defining the key components of HRP.

One of the early and renowned definitions of HRP is given by Walker (1980), according to him, human resource planning is the process of analyzing an organization's human resource requirements under changing conditions and developing activities necessary to satisfy these needs. Similarly, Bulla & Scott (1994), defines HRP as a process of identifying HR requirement and planning accordingly to meet those requirements. Beardwell & Claydon (2007) has defined HRP as the process for identifying an organization's current and future human resource requirements, developing and implementing plans to meet these requirements and monitoring their overall effectiveness. Whereas, CIPD (2010), defines HRP, also called as workforce planning (Wortman, 1970), as a process to ensure the right number of people with the appropriate and required skills, employed as per the organized place and on time, so that organization's short-term and long-term objectives are met out.

On the basis of above definitions we can identify key ingredient of HRP; one, the process starts with job design, assessing the demand and supply structure, finding the gap in the current and the required human resource and, ends up in either internal or external recruitment, such that the desired workforce can be clustered to satisfy the objectives of the organization; and second, the HRP may have been studied more in a process view covering one or more of its components as mentioned above. HRP can only be said to reach its objectives if it is, able to produce the result oriented workforce, else, the cost and time involved in it is not justified.

The paper provides a starting point for the new researchers, as it covers different viewpoints in this field.

II. Key Literature on HRP

Starting from the period of late 1960's, one of the early work done on HRP is in private sector undertaking for technical persons by Kidder (1969). The author studied HRP for engineering firms in the context of India. He expresses that, other than government interventions, the organizations should invest in secondary school level education especially in elementary science & technology and less on costly separate technical schooling. One of the important findings of the study was that, low relationship was evident between employer's, behavior in formal HRM process and his market perception about the human resource. Cummings (1970) discusses, the strength and weaknesses of the five approaches to estimation of workforce which includes: extrapolation (past trends), employer estimates (asking employer or representatives), gross analogy (historical or international comparisons), multiplier approach (relationship between independent element like Industry/ Sector output to occupational element) and comprehensive sectoral approach (an elaborated version of multiplier approach). The author also mentions manpower planning as an instrument for predicting skills set and education required on the basis of given economic forecast. Gillespie, Leininger & Kahalas (1976) used Markov model for certified public accounting firm which presented a discounted economic valuation of the staff. Ghosh (1981) defined two broad categories of methods for measuring HR planning, the one being systematic methods which include statistical methods, work study and quantitative methods; whereas, the other being the non-systematic methods which include the opinion of managers or head of the departments and imitation of existing practices in similar concern. A comparatively detailed study of models in manpower planning is done by Edwards (1983), who explained that the study relevant to manpower planning rest on three pillars. The first pillar is the prediction of future demand of human resource; the second pillar is the prediction of future supply in the human resource; and, the third pillar is about closing the gap between the first and the second pillar and making policies for that. For demand, prediction author highlights the models based on organization output and for supply prediction stock and flow concept. The different models used for manpower planning especially in the UK were Markov Chain Model, Renewal Model, KENT Model, WASP, PROSPECT, FORMASY, CAMPLAN and MANSIM. The author also put weight on the scope available for further development of models. Work on policy-oriented approach to HRP was done by Castley (1996); he argued that a policy-focused approach to manpower planning should be implemented rather than the traditional measures used for manpower planning in which the HR analyst plays the most important role as he sits in the center of whole policy making process from its inception to close. How the different perspectives of human resource planning interact together is explained by Khoong (1996) who provided an analysis of the interactions between different perspectives (manpower requirement forecasting, career progression planning,

staff movement planning, personnel assignments, posting projections, succession planning and a combined variable taken as recruitment, retention, staff promotion, posting, training) of manpower planning. From the few literature above it is very much evident that the term 'manpower planning' was more frequently used in comparison to the term HRP; and, also the majority of the studies have been more mathematical estimation oriented models and looks like a complex structure (Khalid, 2013). This was again proved by the work of Aburawi (2013), who proposed a system dynamic model to cope with skill shortage and tries to bridge the gap between service level needs and availability of right competencies. Døving & Nordhaug (2010), worked on the structure which works for HRP. Formal HRM strategies and analyzing KSA's development needs as found by them were the two key variables which are the drives of firm's HRP practices. Results indicate that resources which included size, HRM department and corporate affiliation and to some degree cost-benefit considerations are the main determinants of these human resource planning arrangements. HR Planning role in Institutional development has been explained by (Eldridge, 1998). According to him, HRP is about igniting an organization learning process and is also about a generation of information which is relevant to management decision making in staffing based activities. The study done by Shen (2005) links HR strategy with HR Planning when dealing with strategic integration. HR Planning has also been measured as an integral variable of human resource management (Koch & McGrath, 1996; Schuler & Jackson, 1987).

Though previous studies have helped a great deal to understand the concept; the studies are either been mathematical model-oriented (concentrating on building model for demand forecasting and in making mathematical equations to solve the demand and supply issues) or touching the related topics to HRP.

III. Conclusion and Limitations

As defined by walker (1980), when we are assessing the HR needs in the changing working conditions we need to continuously measure the skills gap mathematically as well as in qualitative aspects. HRP should not only be studied from the perspective of a process; but, from the perspective of a product also, i.e. was it able to satisfy his final customers (Bernardin, 2007), especially the people who are handling the operational manpower. The papers on measuring HRP using gap analysis were hard to extract. Though it was found in some of the literatures that the researchers are interested in it (Hussey, 1999; Breaugh & Starke, 2000), but the evidence to work was not visible. Only selected papers were used for review which is one of the key limitations of this paper. Few more literature review attempts on HRP are required to get to a final conclusion on the gap found.

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Ashish Arya by qualification is B.E, MBA, UGC-NET and pursuing his Ph.D from Uttarakhand Technical University, Uttarakhand, India. He is having more than 07 years of experience in the field of teaching and 03 years experience in the field of HR & Administration. Currently, he is working as an Assistant Professor (G.F) with FMS, Gurukula Kangri Vishwavidyalaya, Haridwar, India. He

is having more than 25 certifications to his name, covering national and international conferences, workshops, refresher courses; and has published five research papers. The subjects of his interest and also for research includes Human Resource Management, Organization Behaviour, Communication and Human Quality Development.