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The world of business is constantly changing. But one thing remains the same—the importance of human resources. After all, an organization's success largely depends on the people behind it. But to harness the full potential of your workforce, you need a strategic approach. That's where human resource planning (HRP) comes into play. In this blog post, we take a deeper look into what HRP means and why it's so important to your organization's HR strategy. We'll also share a step-by-step walkthrough for you to effectively carry out your own HRP, as well as some commonly used tools to help you improve your HRP processes from the get-go. Human resource planning (HRP) is the systematic forecasting of an organization's future HR requirements. Ultimately, it's to make sure the right people with the right skills are in the right places at the right times. It's an ongoing, data-driven process to optimize a company's most valuable assets: people, by avoiding shortages or surpluses. This involves identifying current and future hiring or training and development needs, addressing skill gaps, and implementing strategies for talent acquisition. HRP is about aligning HR strategies with the evolving needs of your business to ensure optimal performance and productivity while avoiding costly workforce imbalances. The ultimate goal of HRP is to maintain an optimal workforce size that maximizes the company's profitability. As a result, one of the main aims of HRP is to secure the right quantity and quality of employees that an organization needs to meet its objectives. This requires HR leaders to focus not just on recruitment but also on development, retention, and workforce optimization. Today, more and more people are working remotely due to increasing globalization and more flexible working practices. In this case, HRP helps HR managers adopt new recruitment, training, and employee retention methods and tools, ensuring they can assess the entire workforce, no matter where they are in the world. As well as location, HRP is also there to ensure that the right talent is strategically placed across various departments, fostering agility and adaptability. HRP is not just a concept; it's a catalyst for productivity and profitability. An HR planning process empowers businesses to attract and retain the right talent, equipped with both the technical and soft skills to perform best in their roles. HRP is crucial for multiple reasons: Enhances employee value. HRP means assessing existing employees, their skills, and training needs, and seeing how they can upskill. This enables businesses to save on recruitment costs while also fostering employee growth and loyalty. Helps organizations adapt to industry shifts. Through HRP, organizations can anticipate changes in talent needs and industry dynamics. This strategic foresight allows businesses to manage agile role transitions and budget for new positions, especially when identifying niche markets. Keeps a competitive edge. HRP empowers companies to make informed hiring and training decisions, aligning with employee preferences, work-life balance, and other attractive job factors. Aids long-term growth. HR professionals use HRP to forecast hiring needs, department expansions, and potential retirements. This forward-thinking approach aids in budgeting for future hiring requirements, making sure the right balance in the optimal number of people in the workforce is achieved. In short, a human resource planning process acts as a compass, guiding organizations through the ebb and flow of industry changes, promoting cost control, and driving workforce efficiency, making it essential for securing a competitive edge. As a result, HRP is vital to organizations, serving as the linchpin of strategic human resource management, and helping HR managers achieve several objectives: Anticipate cultural shifts and business evolutions. Identify changing job and skill requirements. Hire promptly for organizational changes. Tailor hiring practices and benefits. Foster workforce skill enhancement. Nurture employee career paths. Maintain effective HR processes. Optimize HR budget allocation. It's clear that HRP offers plenty of advantages. But it still comes with several challenges for organizations to navigate. Common obstacles could include anything from the unpredictable nature of future events to the difficulty of forecasting employee turnover, and even managing factors like illness, promotions, vacations, or position changes. To tackle these issues, successful HRP needs to be adaptable, and managers also need to continuously monitor performance for any changes. When forming their HR plan checklist, HR managers need to strategize how to: Attract, hire, and retain skilled employees. Select, train, and reward the best people. Manage absences and conflicts. Carry out promotions or layoffs. It's crucial to recognize potential challenges in the HRP process, including: Time and effort required. Financial investment. Imperfect forecasting. Inevitable market changes. Technology and data requirements, such as integrating data from different sources. Pushback on internal changes from employees. By acknowledging these challenges, HR managers can better prepare to address them, ultimately boosting their HRP efforts. HRP is a structured process that usually includes five key steps for HR managers to follow. Let's take a look at these steps of HRP more closely: Analyze the current workforce. Before carrying out HRP, assess your current employees and their attributes, skills, and how they align with your business goals. Factors like the total number of people, their departments, job titles, and performance data give more insight into your existing capabilities. Forecast changes. This step is a little trickier. But with data on current employees to hand, you can predict future workforce requirements. For example, this workforce planning might include supply forecasting: checking whether your current workforce can meet business demands and demand forecasting: choosing the types and quantity of employees needed to match your future business goals. Carry out gap analysis. After forecasting, the next step is gap analysis. This involves comparing your current workforce quantity and skill levels against what's necessary to meet your organizational goals. For instance, recognizing current workforce status, defining your ideal future status, and spotting the gaps that need to be filled. Develop your HR plan. Armed with insights from the previous steps, you can now put together your strategic HR plan. Align your plan with the organizations overall strategy, and include talent strategies that bridge the supply-demand gap. You may want to include specific strategies for recruitment, training, benefits, performance management, remote work, and company culture. Monitor, review, and replan. Implementing your plan is only half the battle. Now comes the most important part: monitoring and reviewing your HR plan to make sure it's effective. Ask for feedback from the team via performance reviews or surveys to spot obstacles and areas for improvement. For now, make sure your plan can stay adaptable to meet your business needs. Remember: HRP is not a one-time event, but an ongoing activity to ensure your company stays agile and prepared for the future. Human resource planning (HRP) is a strategic process that helps organizations anticipate workforce needs, align talent with business goals, and optimize resource allocation. The goal of HRP is to ensure the right people are in the right roles at the right time to maximize business performance. HRP is crucial for: Enhancing employee value by assessing skills and fostering growth. Helping businesses adapt to industry changes with strategic workforce planning. Improving hiring, training, and retention strategies to maintain a competitive edge. Ensuring long-term workforce sustainability by planning for growth, retirements, and evolving job roles. Key challenges of HRP include: Unpredictable workforce changes, such as turnover, promotions, and retirements. Data integration and forecasting difficulties, requiring strong analytics and adaptability. Managing employee resistance to changes in HR policies and workforce restructuring. The five steps of HRP planning include: Analyzing the current workforce to assess skills and job roles. Forecasting workforce changes based on business needs and industry trends. Conducting a gap analysis to identify hiring or training needs. Developing a strategic HR plan that aligns with business objectives. Monitoring, reviewing, and adapting the HR strategy to ensure ongoing effectiveness. HR technology plays a key role in modern HRP by automating data collection, performance tracking, and workforce planning to enhance efficiency. So, we've already said that you should be continually collecting and analyzing data as part of your HRP. But how? Here are some of our favorite effective tools to aid you in your HRP. Choose: Surveys. Gather data on specific HR topics, such as managers' opinions on employee skills and productivity, peoples' training preferences, satisfaction with benefits and compensation programs, workplace culture, and employee happiness. Use these to identify opportunities like internal promotions, or potential weaknesses that may lead to high turnover or reduced productivity. HR dashboards. Collect and display data to provide an overall view of HR metrics and aid you in your planning process, such as turnover rates, satisfaction levels, productivity, skill levels, and internal promotions. Performance management systems. Provide feedback on employee performance and deliver performance ratings over time. This is critical during the integration phase of HRP so that HR professionals can see the success of role changes and additional training. Human capital management systems (HCMs). Combine various HR processes, from planning and payroll management to compensation, hiring, onboarding, recruitment, turnover rate analysis, and productivity measurement. These processes are automated to aid adjustments in HR planning and performance measurement. Compensation and benefits software. Easily compare current pay scales and benefits against economic trends and industry standards. It helps to ensure that people receive competitive compensation and benefits, leading to reduced turnover, enhanced satisfaction, and improved productivity. HRP ensures that you have the right people in the right places to drive your business forward. By understanding the meaning, goals, importance, challenges, steps, and tools of HR planning, you can make more informed decisions and steer your organization toward greater success. From Rebecca Daniels Rebecca is a Diet Coke-powered wordsmith at HiBob. By day, she's cooking up content marketing magic. By night, she's cozying up with a book or baking in her kitchen because life's too short for bland content and tasteless treats. Human Resource is the most vital factor for the survival and prosperity of the organization. The human resource asset in a firm has the potential to appreciate the value of the firm. Though all the firms buy the same material and manpowers, the people in a firm make the difference in the final products. So the success of an organization mainly depends upon the quality of its human resource and their performance. Many forward-looking management will be concerned with the problem of procuring or developing adequate talent for manning various positions in the organization. The success of a human resource planning process not only helps the organization itself, but also helps the society's prosperity. The losses a firm suffers from inadequate human resource planning and utilization, is a loss to the nation. When these individual losses are added up the total losses may be very significant to the economy of a nation. Human resource may be regarded as the quantitative and qualitative measurement of labor force required in an organization and planning in relation to manpower may be regarded as establishing objectives to develop human resources in line with broad objectives of the organization. Thus, human resource planning may be expressed as a process by which the management ensures the right number of people and right kind of people, at the right place, at the right time doing the right things. It is a two-phased process by which management can project the future manpower requirements and develop manpower action plans to accommodate the implications of projections. Thus, we can say that human resource planning is the process of developing and determining objectives, policies and programmes that will develop, utilize and distribute manpower so as to achieve the goals of the organization. Read More: Human Resource Planning Process Definitions of Human Resource Planning Human Resource Planning is the planning of Human Resources. It is also called manpower planning/ personnel planning/ employment planning. It is only after Human Resource Planning that the Human Resource department can initiate the recruitment and selection process. Therefore Human Resource Planning is a sub-system of organisational planning. Definitions of Human Resource Planning by eminent authors: Human Resource Planning is a strategy for the acquisition, utilization, improvement and preservation of an organisations human resource. V.C. Moushell Manpower planning is the process by which a firm ensures that it has the right number of people and the right kind of people, at the right places, at the right time, doing right things for which they are economically profitable. Edwin B. Geisler Human Resource Planning is a process of forecasting an organisations future demand for human resource and supply of right type of people in right numbers depending on the need of the hour. Human Resource Planning to perform the planning aspects of the personnel function. It ensures sufficient supply of adequately developed and motivated workforce to perform the required duties and tasks to meet organizations objectives by satisfying the individual needs and goals of organizational members. Leon C. Megginson A strategy for the acquisition, utilization, improvement, and preservation of human resources of an enterprise. It is a way of dealing with people in a dynamic situation. Stainer The process of determining manpower requirements and the means for meeting those requirements to carry out the integrated plan of the organization. Bruce P. Coleman Human Resource Planning as the process by which management determines how the organization should move from its current manpower position to its desired position. Through planning, management strives to have the right number and the right kind of people, at the right places, at the right time, doing right things resulting in maximum long-run benefits both for the organization and for the individual. Vetter Features of Human Resource Planning If future oriented: Human Resource Planning is forward-looking. It involves forecasting the manpower needs for a future period so that adequate and timely provisions may be made to meet the needs. It is a continuous process: Human Resource Planning is a continuous process because the demand and supply of Human Resource keeps fluctuating throughout the year. Human Resource Planning has to be reviewed according to the needs of the organisation and changing environment. Integral part of Corporate Planning: Manpower planning is an integral part of corporate planning because without a corporate plan there can be no manpower planning. Optimum utilization of resources: The basic purpose of Human Resource Planning is to make optimum utilization of organisations current and future human resources. Both Qualitative and Quantitative aspect: Human Resource Planning considers both the qualitative and quantitative aspects of Human Resource Management. Quantitative meaning the right number of people and Qualitative implying the right quality of people in the organisation. Long term and Short term: Human Resource Planning is both Long-term and short-term in nature. Just like planning which is long-term and short-term depending on the need of the hour. Human Resource Planning keeps long-term goals and short-term goals in view while predicting and forecasting the demand and supply of Human Resource. Involves study of manpower requirement: Human Resource Planning involves the study of manpower availability and the manpower requirement in the organisation. Significance of Human Resource Planning The failure in planning and in developing personnel will prove to be a limiting factor in attributing to the organizational objectives. If the number of persons in an organization is less than the number of persons required to carry out the organizational plans, there will be disruptions in the flow of work and the production will also be lowered. But if, on the other hand, some persons are surplus in an organization, they will have to be paid remuneration. The sound personnel policy requires that there should be adequate number of persons of the right type to attain its objectives. For this the manpower planner should be concerned with the training and the scheduling of the planning of personnel and persuading the management to use the results of manpower planning studies in the conduct of the business. Every industrial or commercial organization has the need of proper system of manpower planning so as to bring efficiency and economy in the organization. Smaller concerns and those with simpler organizations also require human resource planning though at a small scale. Human resource planning can prove to be an important aid to frame the training and development programmes for the personnel because it takes into account the effects of anticipated changes in technology, markets and products on manpower requirements and educational and training programme requirements. Human resource planning is relatively a difficult task for the personnel management. It is particularly so in business enterprises which are often subject to forces outside their control such as social, political and economical changes. Manpower is a key resource required for the achievement of business objectives. Materials, equipments, power and other resources can be effectively used, only if there is manpower capable of processing them into required goods and services. It takes a long time to develop the manpower of right type to use these resources. Therefore, decisions concerning manpower development must be taken many years in advance. However, management may stick to short periods for rank and file employees, but it will have to concentrate upon the problems of replacing key professional and managerial personnel on a long term basis. In as-much-as many big organizations do prepare long-range forecasts in production, marketing and capital investment, it should not be surprising if it makes long term projections in regard to its personnel. However, human resource plans cannot be rigid or static, they can be modified or adjusted according to the change in the circumstances. Purposes of Human Resource Planning The primary function of Personnel planning is to analyze and evaluate the available human resources within the organization. It also determines how to obtain the kinds of needed personnel to staff various organisational positions starting from assembly line workers to chief executives. Smaller companies have assigned the function of HR planning to the human resource department or personnel department. Larger corporations have separate departments for this function. Personnel planning aims at minimization of waste in employing people, lessen uncertainty of current personnel levels and future needs, and eliminate mistakes in staffing pattern. The purpose of Human Resource Planning aims at maintaining the required level of skill by avoiding workforce skill shortages, stopping the profit-eroding effects of being overstaffed or understaffed, preparing succession plans and shaping the optimum future work force composition by hiring the right skill in appropriate numbers. Need for Human Resource Planning An organisation must plan out its human resource requirements well in advance so that it could complete effectively with its competitors in the market. A well thought-out human resource plan provides adequate lead time for recruitment, selection and training of personnel. It becomes all the more crucial because the lead time for procuring personnel is a time consuming process and in certain cases one may not always get the requisite type of personnel needed for the jobs. Non-availability of suitable manpower may result in postponement or delays in executing new projects and expansion programmes which ultimately lead to lower efficiency and productivity further. To be specific, the following are the needs for human resource planning: Shortage of Skills: These days we find shortage of skills in people. So it is necessary to plan for such skilled people much in advance than when we actually need them. Non-availability of skilled people when and where they are needed is an important factor which prompts sound Human Resource Planning. Frequent Labor Turnover: Human Resource Planning is essential because of frequent labor turnover which is unavoidable by all means. Labor turnover arises because of discharges, marriages, promotion, transfer etc which causes a constant ebb and flow in the workforce in the organisation. Changing needs of technology: Due to changes in technology and new techniques of production, existing employees need to be trained or new blood injected into an organisation. Identify areas of surplus or shortage of personnel: Manpower planning is needed in order to identify areas with a surplus of personnel or areas in which there is a shortage of personnel. If there is a surplus, it can be re-deployed, or if there is a shortage new employees can be procured. Changes in organisation design and structure: Due to changes in organisation structure and design we need to plan the required human resources right from the beginning. Objectives of Human Resource Planning The objective of human resource planning is to ensure the best fit between employees and jobs, while avoiding manpower shortages or surpluses. Human resource planning is a sub-system of the total organizational planning. It constitutes an integral part of corporate plan and serves the very purpose of organization in many ways. The primary purpose of human resource planning is to prepare for the future by reducing organizational uncertainty in relation to the acquisition, placement, and development of employees. Human resources planning is done to achieve the optimum use of human resources and to have the right types and correct number of employees to meet organizational goals. The main objectives of Human Resource Planning are: Achieve Goal: Human Resource Planning helps in achieving individual, Organizational & National goals. Since human resource planning is linked with career planning, it can be able to achieve individual goal while achieving organisational and national goal. Estimates future organisational structure and Manpower Requirements: Human Resource Planning is related with number of Personnel required for the future, job-family, age distribution of employees, qualification & desired experience, salary range etc and thereby determines future organisation structure. Human Resource Audit: Human resource planning process is comprised of estimating the future needs and determining the present supply of Manpower Resources. Manpower supply analysis is done through skills inventory. This helps in preventing over staffing as well as under-staffing. Job Analysis: The process of studying and collecting information relating to operations and responsibilities of a specific job is called Job analysis. Job analysis is comprised of job description and job specification. Job description describes the duties and responsibilities of a particular job in an organized factual way. Job specification specifies minimum acceptable human qualities necessary to perform a particular job properly. Problems with Human Resource Planning Resistance by Employers: Many employers resist Human Resource Planning as they think that it increases the cost of manpower for the management. Further, employers feel that Human Resource Planning is not necessary as candidates will be available as and when required in the country due to the growing unemployment situation. Resistance by Employees: Employees resist Human Resource Planning as it increases the workload on the employees and prepares programmes for securing human resources mostly from outside. Inadequacies in quality of information: Reliable information about the economy, other industries, labor markets, trends in human resources etc are not easily available. This leads to problems while planning for human resources in the organisation. Uncertainties: Uncertainties are quite common in human resource practices in India due to absenteeism, seasonal unemployment, labor turnover etc. Further, the uncertainties in the industrial scenario like technological changes and marketing conditions also cause imperfection in Human Resource Planning. It is the uncertainty of information that makes Human Resource Planning less reliable. Time and expense: Human Resource Planning is a time-consuming and expensive exercise. A good deal of time and cost are involved in data collection and forecasting. Guidelines for making Human Resource Planning effective Adequate information system: The main problem faced in Human Resource Planning is the lack of information. So an adequate Human resource database should be maintained/developed for better coordinated and more accurate Human Resource Planning. Participation: To be successful, Human Resource Planning requires active participation and coordinated efforts on the part of operating executives. Such participation will help to improve understanding of the process and thereby, reduce resistance from the top management. Adequate organisation: Human Resource Planning should be properly organised; a separate section or committee may be constituted within the human resource department to provide adequate focus and to coordinate the planning efforts at various levels. Human Resource Planning should be balanced with corporate planning: Human resource plans should be balanced with the corporate plans of the enterprise. The methods and techniques used should fit the objectives, strategies and environment of the particular organisation. Appropriate time horizon: The period of manpower plans should be appropriate according to the needs and circumstances of the specific enterprise. The size and structure of the enterprise as well as the changing aspirations of the people should be taken into consideration. Factors affecting Human Resource Plans External factor: They are the factors which affect the Human Resource Planning externally. They include: Government policies: Policies of the government like labour policy, industrial policy, policy towards reserving certain jobs for different communities and sons-of-the-soil etc affect Human Resource Planning. Level of economic development: Level of economic development determines the level of human resource development in the country and thereby the supply of human resources in the future in the country. Information Technology: Information technology brought amazing shifts in the way business operates. These shifts include Business Process Reengineering (BPR), Enterprise Resource Planning (ERP) and Supply Chain Management (SCM). These changes brought unexpected reduction in human resource and increase in software specialists. Example: Computer-aided design (CAD) and computer-aided technology (CAT) also reduced the existing requirement of human resource. Level of Technology: Technology is the application of knowledge to practical tasks which lead to new inventions and discoveries. The invention of the latest technology determines the kind of human resources required. Business Environment: Business environment means the internal and external factors influencing the business. Business environmental factors influences the volume of mix of production and thereby the supply of human resources in the future in the country. International factors: International factors like the demand and supply of Human resources in various countries also affects Human Resource Planning. Internal factors: Company Strategies: The organisations policies and strategies relating to expansion, diversification etc., determines the human resource demand in terms of Quantity and Quality. Human Resource policies: Human Resource policies of the company regarding quality of human resources, compensation level, quality of working conditions etc. influence Human Resource Planning. Job analysis: Job analysis means detailed study of the job including the skills needed for a particular job. Human Resource Planning is based on job analysis which determines the kind of employees to be procured. Time Horizon: Companies planning differs according to the competitive environment i.e. companies with stable competitive environment can plan for the long run whereas firms without a stable environment can only plan for short term. Therefore, when there are many competitors entering business/ when there is rapid change in social and economic conditions of business/ if there is constant change in demand patterns/ when there exists poor management practice, then short term planning is adopted or vice-versa for long-term planning. Type and Quality of Information: Any planning process needs qualitative and accurate information about the organisational structure, capital budget, functional area objectives, level of technology being used, job analysis, recruitment sources, retirement plans, compensation levels of employees etc. Therefore Human Resource Planning is determined on the basis of the type and quality of information. Companies policies regarding how much to produce and how much to purchase from outside in order to manufacture the final product influences the number and kind of people required. Trade Unions: If the unions declare that they will not work for more than 8 hours a day, it affects the Human Resource Planning. Therefore influence of trade unions regarding the number of working hours per week, recruitment sources etc. affect Human Resource Planning. Organisational Growth Cycles: At starting stage the organisation is small and the need of employees is usually smaller, but when the organisation enters the growth phase more young people need to be hired. Similarly, in the declining/recession/downturn phase Human Resource Planning is done to re-trench the employees. Human Resource Management HRM Functions, Human Resource Concepts Human resource planning The most important aspect of a thriving business is capitalizing on the prospects of the people that work for it, and fully utilizing the human resources. To harness the full potential of your team member network, and avoid situations such as staff shortages, human resource planning is extremely crucial. What is human resource planning? Human resource planning (HRP) definition: Human resource planning is a technique company uses to balance its flow of employees and prevent situations such as team member shortages or surpluses. This also ensures that the business has the right people with the appropriate skills and ability to build a strong workforce. Why are human resources planning crucial? It fulfills the needs of a dynamic environment: With growing globalization and an observable cultural shift in the environment, a company encounters many dynamic needs. Human resource planning helps evaluate these needs and make a plan of action accordingly to fulfill them, ahead of time. It helps to adapt to technology changes: With ever-evolving technology, it is imperative for a company to evolve alongside it. An HR plan manages and distributes its employees across various technology groups, and ensures growth. It ensures the growth of small firms: For a small firm to grow in the 21st Century's cut-throat environment, it is instrumental for them to plan and balance team member needs and company functioning (such as recruitment, compensation, etc.) Challenges of Human resource planning Handling absences and grievances: the team member network is dynamic in nature. Employees taking maternity leave, going on vacation, getting promoted, quitting the company, etc. are just some of the examples in which the workforce is subject to change. Coping with these changes and making adequate compensation isn't always easy. Training employees: With the adaptation of new and upcoming technology, training employees to use has become a humongous task. It is Human resource planning that helps identify the employees who require training and provides the same. Is it difficult to ensure human resource planning? Human resource planning is not a difficult task with an effective Human Resource (HR) Team. any good HR Team should have clear objectives and policies which can keep the workflows of the business smooth, acceptable, adaptable and transparent. What is the need for HRP? It enables businesses to meet their current and future demands for talent, allowing human resource managers to anticipate and develop the skills. It also helps maximize the potential of its employees and ensures growth. Is it important to have an HR department in every organization? Yes, it is important to have an HR department in every organization as it ensures the availability of manpower and avoids difficulties that arise due to a dynamic environment. An HR is also crucial in mediating all conflicts in the workforce within its employees and preventing exploitation of employees. What do you mean by workforce analysis? Workforce analysis involves determining current and future labor and skill supply, determining current and future needs (with respect to labor, skills, and competencies), and determining the gaps between the two. Disclaimer: This content is authored by an external agency. The views expressed here are that of the respective authors/entities and do not represent the views of Economic Times (ET). ET does not guarantee, vouch for or endorse any of its contents nor is responsible for them in any manner whatsoever. Please take all steps necessary to ascertain that any information and content provided is correct, updated, and verified. ET hereby disclaims any and all warranties, express or implied, relating to the report and any content therein. Know More: Supply Definition, Remittance Definition, Debtor Meaning, Gap Definition, Opportunity Cost Definition, Economic Order Quantity Definition, Blob Meaning, Liquidation Meaning, Mou Definition, Variable Cost Definition Human resource planning (HRP) is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset: qualified employees. HRP planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses. There are four key steps to the HRP process. They include analyzing present labor supply, forecasting labor demand, balancing projected labor demand with supply, and supporting organizational goals. HRP is an important investment for any business as it allows companies to remain both productive and profitable. Human resource planning (HRP) is a strategy companies use to maintain a steady supply of skilled employees while avoiding staffing shortages or surpluses. HRP needs to meet short-term staffing challenges while adapting to changing conditions in the business environment over the longer term. Having a good HRP strategy in place can mean productivity and profitability for a company. HRP is made harder by the fact that not everything can be predicted. There are four general steps in the HRP process: identifying the current supply of employees, determining the future of the workforce, balancing between labor supply and demand, and developing plans that support the company's goals. Employees are a key part of any business. Without a strong workforce, income will likely dry up and the company will go out of business. HRP is designed to prevent this from happening. Its mission is to identify current and future hiring and training needs. HRP allows companies to plan ahead so they can maintain a steady supply of skilled employees. The process is used to help companies evaluate their needs and to plan ahead to meet those needs. 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. To help prevent future roadblocks and satisfy their objectives, HR managers have to make plans to do the following: Find and attract skilled employees. Select, train, and reward the best candidates. Keep employees motivated. Cope with absences and deal with conflicts. Succession planning. Promote employees or let them go. Compensation levels of employees etc. Therefore Human Resource Planning is determined on the basis of the type and quality of information. Companies policies regarding how much to produce and how much to purchase from outside in order to manufacture the final product influences the number and kind of people required. Trade Unions: If the unions declare that they will not work for more than 8 hours a day, it affects the Human Resource Planning. 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