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Manpower environment in Banking Business in India witnessed radical changes after nationalization of 14 major commercial banks on 19 July 1969. Public Sector Banks (PSBs), as they are popularly known have been assigned a new role as 'Socio-Economic Banking Business' and given a new responsibility to actively participate in the process of national economic development. As a result, nature of business of these banks has changed from 'class banking' to 'Mass banking'. The Government of India asked them to spread their network to rural areas and contribute to rural development by implementing various schemes of the Government. Their participation in the process of economic planning and development has been ensured through 'Lead Bank Scheme', introduced in the year 1969. Under this scheme, Districtwise planning of mobilization of resources & credit deployment has been entrusted to the lead bank. Further, responsibility to Finance Schemes under 20 point programme was given to public sector Banks. Financing the Scheme of Har '+' a million jobs', was additional task PSBs were required to perform.
These are some examples of their participation in economic development process. Thus, in addition to usual banking business, public sector banks function as a medium to give effect to national policies. This has changed their business quantitatively and qualitatively requiring manpower of different nature & size. In the circumstances, manpower planning assumed paramount importance as the problem was not of getting people in right number, but it was of giving 'new vision' to existing and incoming work-force and making them contribute to national objectives throughout their organisational life. This explains the complexity of the process. Again, economic development being a continuous process, changes referred to above represent the same character, making man-power environment more dynamic and requiring constant review of manpower planning process. This exercise is very much essential at Institutional level for improving organisational effectiveness. It also presents a challenging situation to researchers in the field. This explains the need for and background of undertaking research of this kind. Since it deals with manpower planning process, this chapter discusses concepts involved there in.
1.2 Importance of Human Resources:

The Management process aims at integration and effective utilisation of resources like men, materials, machines, money and methods for attaining organisational objectives. Of all "M's" in management, the most important is "M" for Men i.e. manpower or human resource. Meggi son defined human resources as "the total knowledge, skill, creative abilities, tallents and aptitudes obtained in the population, whereas from the view point of the individual enterprise, they represent the total of the inherent abilities; acquired knowledge and skills as examplified in the tallents and aptitudes of its employees."^1

According to Jucious, the human factor refers to a 'whole' consisting of inter-related interdependent and interacting a) Physiological, b) Psychological, c) Sociological and d) ethical-components.

The human factor is dynamic in nature as is revealed in motivation and defence mechanism. The significance of human resources can be examined from at least two stand points.^3

i) Economic,

ii) Non-Economic.
The human resources assume importance from 'Economic' standpoint at National levels of analysis. They have been viewed as a form of capital and as the product of investment whereby production is acquired. Ginzberg points out, "Human Resources are the key to economic developments. Obviously, their development as a source of economic advantages improves their economic status and they tend to have higher standards of living".

The importance of human Resources arises from the non-Economic factors also. They are being considered "Spiritual" creatures, quite different from other sources. They also become important from cultural and social view points.

Manpower resources are of significance from psychological standpoint also. The essence of psychological environment is motivation which provides dynamism to these unique resources.

It is in this respect that we get \( 2 + 2 = 5 \), when adequately motivated and \( 2 + 2 = 4 \) \( 2 - 2 = 0 \) when carelessly handled. It has almost become imperative that the management provides a psychological environment for work where the participants find opportunity for fuller self-actualisation, richer creativity and a more meaningful life.
Management of manpower can assist in the attainment of National, Enterprise and individual goals through effective utilisation and proper, development of manpower. Having explained the importance of human element the following discussion is devoted to manpower planning concept and process.

1.3 Manpower Planning Defined :

Manpower Planning and human-resource Planning are synonymous. In the past, the term manpower planning was widely used; but now the emphasis is on human resources planning; which is more broad based.

Valter defined manpower planning or human resource as "The process by which a management determines how an organisation should move from its current manpower position. Through planning a management strives to have the right number and the right kinds of people at the right time, to do things which result in both the organisation and the individual receiving the maximum long-range benefits".

According to Coleman "human resource or manpower Planning is the process of determining manpower requirements and means for meeting those requirements in order to carryout the integrated plan of the organisation".
According to Wickstorm, "Manpower Planning consists of a series of activities viz.

i) Forecasting future manpower requirements, either in terms of mathematical projections of trend in the economic environment and developments in industry or in terms of judgemental estimates based upon the specific future plans of the company.

   ii) Making an inventory of the present manpower resources and assessing the extent to which these resources are employed optimally.

   iii) Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively.

   iv) Planning the necessary programming of recruitment, selection, training, development, utilisation transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met."

In the words of Gordon McBeath, "Manpower Planning involves two stages. The first stage is concerned with the detailed planning of manpower
requirements for all types and levels of employees throughout the period of the plan; and the second stage is concerned with, planning of manpower supplies to provide the organisation with the right types of people from all sources to meet the planned requirements8.

George Strauses and Leornard R. Sayles define manpower planning in the following words—

"to survive and prosper, organisation need well qualified motivated employees available at the right time, putting them there involves careful advance planning i.e. manpower planning integrating many diverse parts of the organisations'. overall manpower system"9.

In the words of S.D.Varde of NIBM, "Manpower plan is a document on the basis of which the management of the organisation can strive to have the right number of people possessing the right type of skill at right times, in the right jobs, and at right places with a view to enabling the organisation to achieve its short term and long term goals"10.

Mr. N. Vaghul, Executive Director of Central Bank of India defines, Manpower Planning as "systematic efforts on the part of the management of an organisation to prepare a plan for the development of human resources in the organisation, keeping in mind the objectives of the organisation over the reference period"11.
In Sum, manpower Planning includes projections, procurement, placement development and evaluation planning of manpower in any organisation.

1.4 Need for Manpower Planning:

Manpower Planning is a continuous process. To quote Edgarh Schein, "It is not enough just to get good human Resources. Some planning activities have to concern themselves with how employees, who may be spending 30 to 40 years of their total life in a given organisation, will make a contribution for all that kind, will remain motivated and productive and will maintain a reasonable level of satisfaction." The factors discussed below explain need for manpower planning in general and for banking organisation in particular.

1) Jobs in private sector Banks are different than the Public Sector Banks. Job requirements are changing faster than in past, due to rapid changes in technology, so also changes in the customers expectations and political influences. Hence, there is a need to forecast and meet the challenges resulting from the technological changes.
2) As per changes in the customers expectations and to remove the shortcomings in the process of Socio-Economic Development, various new schemes of mobilisation of Resources and deployment thereof along with ancillary Banking Business. The occupational structure of the workforce is also changing as a result of these factors. Those occupations which require more preparation are growing faster.

3) Many current and traditional job holders are now compelled to undergo the training process to update their knowledge also to enrich in the rising job requirements, even within the existing occupations, if they expect to serve, till reaching upto the stages of superannuation.

4) Banking sector in general and Public Sector Banks in particular are critised for creation of highly paid white coloured well organised work force in the country. It is also critised that over employment position is the prime cause of deteriorated Banking counter Services 'Vacant mind is a devil's den' the proverb is well applicable to such well organised manpower costing the Bank heavily without any output. Apart from this criticism the Banking sector is facing shortage of certain types of skills viz.
i) Well trained persons to work in electronic data processing centres.

ii) Professional Bankers with legal background.

iii) Professional Bankers with Business Management background.

iv) Professional Bankers with Personal Management background.

v) Professional Bankers with Agricultural, Industrial and Marketing background.

vi) Professional Bankers with office management background.

vii) Professional Bankers with Training and Development background.

Hence, there is a need to determine and develop the type of skills which will be needed in future.

5) The total process of management planning has now direct impact of rising interest in diversified activities and thus this has stimulated attention to the need for manpower planning.

6) To support the rising interest and activities, if PSBs try to implement continued training to manpower, without thinking of any 'Cut of point' to
restrict workforce from the opportunity to develop. Depending upon the frequency of such refresher education separate patterns can be developed in accordance with-

i) the age group

ii) Service seniority group.

iii) Field experience group.

iv) Sex group.

v) Educational standard group.

vi) Work environment group.

vii) Sizewise categorisation of work units group.

viii) Area-wise distribution of the work units group.

The recent upsurge in the Banking, Industrial growth and diversification in India has brought to the fore-front the importance of manpower being a human Resource Development since man is the source of wealth creation, proper utilisation of the human potential will have an immense pay-off for any organisation.

This requires, besides other things, a scientific approach, to manpower planning, including correct estimates of manpower needs, planning for the needed supply of the right number and quality of people matching men to job and developing people to carry out future jobs.
Banking Industry in India today is passing through a critical phase. Various steps are being taken to modernise the technology, improve the supply side, quality and productivity. All these programmes will have human implications in terms of skills required, deployment patterns and manpower productivities. Manpower Planning is an integrated approach to managing this dynamic situation will have increasingly crucial role to play both at the national level and at the individual Bank level.

A close relation exists between manpower planning and economic planning especially, in all such economics where a systematic approach to economic planning is the ruling practice, irrespective of the political system. In fact, the process of economic planning precedes the various other aspects of the economic system relating to human activity in the field of Banking Industry, other manufacturing processing and service industries, commerce business and services.

1.5 Prerequisites of Successful Manpower Planning:

The prerequisites of manpower are the philosophy of top management and its involvement in manpower planning process as also the maintenance of up-to-date data and the information system.
Manpower forecasting necessitates consideration of both the global and reasonableness in the global approach, estimation, which is related to the broad economic plans whereas, in the segmented approach the macro model is broken down into smaller but distinct units for the purpose of unit-wise manpower planning process.

The different stages and phases of manpower planning are to be analysed rightly where service agencies come to play for the purpose of manpower planning. The techniques of assessment of manpower planning for the Administrative offices and Branch level jobs need clear definitions, descriptions and Analysis.

The concepts and practices relating to recruitment, promotion, manpower demand forecasting, manpower audit, manpower budgeting and manpower accounting have to be explained in a concise and compact form.

A brief account is required to be given of the future challenges which manpower planners are likely to face in the areas of organisation design, appraised system, promotion policies, assessment of potential, information system for manpower planning, utilisation criteria and balancing between the macro and Branch level manpower plans and the Head office i.e. Macro level manpower plans.
In consideration of above things, following prerequisites are stated for successful manpower planning:

1) Manpower Planning must be recognised as an integral part of corporate planning. The manpower planners need to be aware of the Bank overall objectives.

2) The Top management techniques for manpower planning is absolutely essential. It should not be overlooked as a process just for the purpose of paper records.

3) Manpower Planning responsibilities should be centralised to co-operate consultation between different management levels.

4) Personal records must be complete, upto date and readily available.

5) The Planning period should be long enough to allow remedial action to be taken.

6) The planning techniques used should be those best suited to the data available and the degree of accuracy required.

7) Plans should be prepared as per skill levels rather than aggregates.

8) Data collection analysis planning techniques and the plans themselves, need to be constantly revised and improved in the light of experience.
'Think Big' a very catchy and meaningful phrase often been with bold letters displayed on notice boards of big Industrial and business establishments in USA, is of much significant when used as pre-requisites of manpower plannings.

Meaningfully, this conveys that while engaging himself in manpower planning, the planner has to "Think" in a 'Big' way as to take within the compass of his thinking, a whole series of factors having a close affinity and bearing on organisation development, and planning supply of manpower according to the needs of the organisation.

**1.6 Manpower Environment**:

Manpower is most sensitive power amongst different types of powers at the organisational level. Manpower planner has to keep in mind, in which environment as listed below, he has to plan.

i) the external environments, and

ii) the internal environments.

They are briefly discussed below.

i) **External Environment**: includes a) Political, b) Social, c) Economical and d) technological factors as these will have considerable influence on the planning process.
a) **Political factor**:  
This factor will primarily mean, Governmental influences. The Government departments monitor the companies, fulfillment of their obligations in this regard is obvious.

b) **Social factors**:  
Which includes emphasis on providing employment to local citizens what is popularly termed as "Sons of the soil" approach. Another form of preference is for the sons or relatives of existing employees.

c) **Economic factors**: are related to the sudden rise and fall of demand for a product which may not be easily estimated. Predicted shortages of certain jobs may affect in a surplus.

d) **Technological change** in the method of production and distribution of products and services and in management techniques can be called technological changes.

As mentioned above, all these factors exercise considerable influence on manpower planning process in Banks. Banking Business is controlled by Government of India through Reserve Bank of India. Naturally, quality and quantity of jobs in Bank changes with change in Government policy. Manpower position prior
to and after Nationalisation of Banks is a good example of this type. Hence, a reference to a Government Policy is inevitable. Similarly, Banks operate in a social environment which is dynamic in nature. This results in changing demands on Banking business and in order to respond to those changes. Functional changes take place at organisational level. For example, providing a safe deposit vault can be considered as a step taken by Banks in responses to changing social needs. Introduction of credit cards to the valued customers or Estate Management function undertaken by Banks represents impact of social environment. In particular, the approach to employ local persons i.e. adoption of 'son of soil' philosophy is also a good example of this kind of inter-relationship.

Coming to technological factors, it may be stated that they are responsible for quality and speed in work. Adoption of modern technology i.e. computerisation, naturally requires people with particular skills. All these factors amply prove the impact of external environment on manpower planning.

ii) The Internal Environment:

This environment represents aspects internal to the organisation. While planning manpower, the planner must take into account the existing manpower position. In
addition, he may consider management policy, particularly in regard to placement, promotion and transfers. Then only a clear picture of manpower to be recruited from external sources will emerge. Availability of manpower with different types of qualities and qualifications within the organisation are certainly good developmental plans. This clearly shows how internal environment affects manpower planning process.

The responsibilities of manpower planning unit in this regard are -

i) to assist, counsel and pressure operating management to plan and establish objectives;

ii) to collect and summarise data in total organisational terms and to assure consistency with long range objectives and other elements of the total business plan.

iii) to monitor and measure performance against the plan and keep top management informed and;

iv) to provide the research necessary for effective manpower and organisation planning.

The departments located at lower levels of the organisational hierarchy performs a limited number of activities as opposed to those located at the top level of management.
The positioning of the personnel department in the corporate organisation structure to a certain extent determines the role of the department and the range of its activities. If it is located high in the structure, it will have a considerable role in providing the necessary inputs and influence for a systematic personnel policy.

Feeding top management with data on personnel matters for decisions will enable that group to formulate, after deliberation, policies on personnel matters such as wage and salary, administration, recruitment and selection, industrial relations strategies, promotions and career paths, to mention only a few areas.

Finally, the location of area help to determine the range of functions undertaken by personnel department. The lower the level the more the department is pushed into the nominal role of implementing legislation.

A high level of the department would enable the head of the unit to be in greater touch with the problem of the organisation.

1.07;;

**Manpower Planning Philosophy**:

Manpower philosophy reflects Management's approach and grade of personnel function in any
Banking organisations differ markedly in their approach to manpower planning. Differences in overall philosophy rarely appear in policy statements but can be inferred from the specific decisions their managements make. At least three different manpower "styles" can be discerned.

1) **Selection**: Some Banks particularly, those with limited promotional opportunities emphasize selection. They seek fully trained employees capable of starting work at once. Many private sector commercial Banks or even small and sick public sector Banks fit into this category, as do foreign Banks, corporate financial Institutions and other Financial organisations with short run jobs.

2) **Development**: Emphasizing developmental activities, such as Training Courses, on the job coaching and job rotation, counter changes, table changes, intercity transfers etc. allow employees to develop their own capabilities.

In this way Banks try to stabilise employment, offer substantial job security, avoid as far as possible termination through disciplinary matters, and retain people with absolute skills. Such Banks even restructure their organisational set up i.e through job
enrichment, to provide greater opportunities for individual growth.

Since the developmental approach requires substantial investments in personal growth prosperous and growing Banks (such as Big Public Sector Banks and foreign Banks) are more likely to adopt such policies than some Banks that are exploiting short run opportunities or fighting for their survival.

3) Sink or Swim: Still other Banks invest little efforts, in selection or development. Their disregard results from either conscious policy or lack of resources. These Banks hire more people than they need. Those who prove themselves keep their jobs, other are quickly dropped. When jobs open up at higher level, outsiders are as likely to be hired as insiders.

The employee is treated as a variable cost or a disposable commodity, to be quickly removed when no longer needed. Morale here is predictably low.

However, so far as public sector Banks in India are concerned, the service conditions gives full guarantee of secured and stabilised service, subject to having an employee as per the service regulations.
management can take measures to handle problems before they become so serious as to inflict major damage to the organisation.

1.07: **Manpower Planning Process**

The process of manpower or human resource planning is a continuous process which is described as one of the most crucial management functions. It is a multi-step process which includes the following stages:

i) Deciding goals or objectives.

ii) Estimating future organisational structure and manpower requirements.

iii) Auditing Human Resources.

iv) Planning job requirements and job descriptions and

v) Developing a human resource plan.

The following is a brief discussion of major issues involved in each stage.

1.08:

1) **Objectives of Manpower Planning**

Manpower Planning aims at ensuring timely supply of manpower of right quality and in right numbers. It is therefore, necessary to know in advance the purpose for which manpower is or will be needed. This information forms the basis of manpower planning and enables to proceed in the right direction.
Manpower Planning Objectives originate from total organisational objectives. Organisational plans thus guide the formulation of manpower planning objectives. In doing so, focus has to be on the future organisational needs. As pointed out by Sikula, the alternate mission or purpose is to relate future manpower resources to future enterprise needs. So as to maximise the future reforms on investment in human resources.

The objectives to be stated may be short term as well as long-term objectives. For example, in Banking business, the short-term objectives may be to provide manpower to manage branches to be opened in the next financial year; while provision to manage Rural Branch Expansion Programme during the next five years could be long-term objectives.

It is necessary to determine objectives in clear terms as quantitative and qualitative needs are fixed in the light of these objectives.

ii) Estimating future organisational structure and Manpower Requirements:

Organisational structure ensures smooth working of people placed at different levels. Adaptability is considered as an essential
characteristics of a sound organisational structure, since it is a vehicle for reaching organisational objectives.

An organisation working in a limited geographical area may plan for national market. To facilitate its working, it may need national set-up i.e. different type of organisational structures and to man this structure, it may need people to work in different capacities. This explains the relationship between objectives, of organisational structures and manpower planning with changes in objectives, structure changes and to man structural changes, is the responsibility of manpower planning unit.

Therefore, once objectives are defined, the next step is to anticipate organisation structure for the plan period. Having considered the implications of the organisation structure of tomorrow, the next exercise is to estimate manpower requirements at different levels and for different positions and for different periods.

In other words, it shall follow forecasting manpower needs, while a large number of factors influence this exercise, crucial factors include, business, forecasts, expansion and growth, management philosophy,
Government policy, competition and products services and at the top manpower skill mix.

iii) Auditing Human Resources:

This is done through skill inventory. A skill inventory contains data about each employee's skills, abilities, work preferences and other items of information which indicate its overall value to the company. Skill inventory proforma is required to contain the following information.

a) Personal factors, viz. name, age, sex etc.
b) Education and training
   Academic/Professional.
c) Experience and skills.
d) Additional Information.

Manning Table and Manpower replacement charts are also forms through which, effective Audit in the Human Resources is carried out.

iv) Job Analysis:

Job analysis includes the preparation of job descriptions and job specifications. In this process details of Training, Skills, Qualification, abilities, experience, responsibilities etc. are recorded and well updated.
v) Developing a **Human Resource Plan**:

This consists in finding out the sources of labour supply with a view to making an effective use of these sources. The best policy is to fill up higher vacancies by promotion and lower level positions by recruitment from the labour market.

To do this, it is helpful to focus on "Manpower flows", i.e. on the streams of people who enter the organisation, move up through it at various rates and eventually leave it through various exit doors.

Employee development and protection is most important element to be preserved while forecasting effectively manpower. Increase in working efficiency of a person reduces need for more number of similar work-factors. Efficiency can be increased through various training programmes.

Manpower in each category at the time of entry if supplied with a small booklet and provided effective preliminary orientation thereon, on the important subject of 'know your Institution : know your job". This will create an awareness of the duties to be discharged in view of Institutional expectations.
The same orientation should also be provided so as to impress a clear idea about the vertical as well as horizontal career path which can be made available to be an individual during his tenure of service.

Training is an ongoing process, without any 'Cut-off' point and it is required on annual basis till a person remains with the organisation.

Each employee is required to be interviewed before and after his annual or periodical performance appraisal, by the immediate superior Authority, and also by the Masso level Management. This will give appropriate opportunity to the organisation in Effective Manpower Forecasting.

1.08: 
vi) Job Analysis :

The most basic data in any Manpower programme is knowledge about existing jobs in the organisation. Job analysis includes two elements.

a) Job description, b) Job specifications.

Job description concerns itself with the content of job, tasks, working conditions and responsibilities.

Job specification emphasises the experience, education and skills of the incumbent—must bring to the job.
to make it as per or more than the minimum standard.

1.09:  a) Career Paths:

   Every organisation must decide how employees should normally progress from one job to another. Relatively narrow specialised career paths for 'High fliers', in view of pre-determined succession plan of the organisation, giving board exposure to 'Easy going' work-factors, to a variety of jobs in the same position, but for retention/increase in work efficiency, frequency of promotions in view of long term projections of the organisation, to fill up the gaps in future. The organisation has to decide the circumstances on which fresh/new recruitments for higher jobs/posts from the outsiders be initiated, instead of promoting insiders.

   These things are covered under career paths and promotional ladders.

1.10:  Transfers

   Meaning

   Transfer is the movement of an employee from one job to another. It involves the shifting of an employee from one job to another without special reference to change in responsibilities or compensation.
Though, both promotions and transfers are used in internal recruitment, the difference is notable as Laendi wrote, "a transfer is without any significant increase in responsibility or income, and a promotion involves a change in which a significant increase in responsibility or income occurs".

Sometimes transfers involve some changes in responsibilities and duties.

Sometimes they may involve changes in pay also.

The Need:

Transfers are important source for internal recruitment often the most suitable candidates for an existing opening may be someone already working in one or the other department of the banking organisation. Transfer of such an employee to fill the job is done by many managers.

Transfer is also used to place employees in positions where they get greater job-satisfaction and contribute their best efforts to the organisation.

Transfer is also helpful as a method to
to correct faulty selection and placement. If a newly hired employee is assigned to a certain job at the initial stage of placement, if left this, in spite of his desire for a change it may create resentment.

This resentment may be expressed in terms of reduced work, formed complaints, or increased rate of labour turnover. By transferring such an employee these adjustment problems can be solved.

1.11: **Promotions**

**Meaning of Promotion**

It is the inspiration of most of the employees to qualify themselves for better jobs in the course of their working lifes. The policy of promotion from within is the method adopted to meet these aspirations.

Pigors and Myers define the term "Promotion" as the advancement of an employee to a better job.

By better job is meant a job which entails "greater responsibilities and more prestige or status, needs greater skills and brings "increased rate of pay or salary". Rigore and Mayers.

It should be noted that for an employee a job
may be better even if it has more favourable working hours, better location or working conditions.

Employees do seek their placement to better jobs in these terms well. But such placements cannot be called promotions. Only advancement of a present employee to a job which involves greater skill or responsibilities and higher pay is considered as promotion.

Thus it will be seen that promotion is the way of recognising and developing the abilities of present employees by filling the skilled and responsible positions from within rather than from outside.

1.12: Training

The Need

Training of manpower is essential for a strong industrious base which cannot be built up without an adequately competent skilled human force.

Training of manpower has assumed all the more significant place in the field of business due to the fast moving scientific and technological developments and rationalisation movements. As the progress and techniques of Banking Services become, more and more complicated, forms of training of manpower is being accepted as the
corner-stone of the sound Management.

Both the need hired and existing human resources need to be trained. From the very beginning of their employment (pre-recruitment, pre-selection, pre-positing, pre-placement, Induction training becomes necessary to prepare them for special tasks and responsibilities assigned to them.

1.13:: **Turnover**

Problem of Manpower turnover and absenteeism is concern to the management right from the Branch level upto central office level.

Also recruitment and selection of personnel are directly affected by and give rise to these problems.

In the words of Yoolole, 'labour turnover may be defined as the time to time changes in the composition of the work force that result from the hiring, release and replacement of employees'.

In Banking organisation manpower turnover means, 'frequency of change in persons posted at a particular post or section, or Department or Branch or Office'.

Rates of manpower turnover

\[
\text{Annual turnover equation} = \frac{\text{Total movements for the month}}{\text{Average No. of employees on the pay roll for the month}} \times 100
\]

\[
T = A + S + \frac{P_1 + P_2}{2} \times \frac{365}{m}
\]

Whereas:

- \(T\) = Turnover
- \(A\) = Accession i.e. hiring or fresh arrival.
- \(S\) = Separations - Moving manpower.
- \(P_1\) = Total number of employees on the pay roll on the first day of the month.
- \(P_2\) = Total number of employees on the last day of the month.
- \(N\) = Number of days in the month for which the figures are related.

1.14: Uses of Benefits of Manpower Planning:

Manpower planning process is used by Indian Banks for:

1. Determining the manpower requirements according to the five dimensions i.e. quantitative; qualitative, temporal; locational and job positional.

2. For investigating the possibility of detecting personnel with the Bank having requisite skills
as needed in the manpower demand plan, who can be suitably placed either as a parallel transfer posting or on promotion, in order to assume, those job positions which in any case must be held by existing suitably experienced personnel.

3. For getting a specific knowledge of the magnitude of training requirement for the immediate future according to the hierarchical levels of the prospective trainees and the type of training to be imparted to them.

4. To enable the Bank to forecast its position quite ahead in future mainly in terms of the categorywise, size and quality employees.

On effective use of the above aspects, Bank shall be in a position to derive benefits of -

1. designing recruitment and selection programs for the immediate future;
2. constructing a total plan of training for the immediate future.
3. to convey well in advance to the Top Management whether the required number of personnels with requisite skills are available or not and if there is no
possibility then to make suitable alterations modifications, changes in the corporate plan before the beginning of the business plan period.

4. Estimating the cost of manpower for the immediate future which will improve the accuracy in the financial budget thus making a reasonable contribution to profit making, planning and thus to provide a feasibility check on the business plans; organisation structure and Manpower Plans.

5. Providing a sound and rational basis for designing new strategies for training at certain levels, to develop new training courses as per need, select suitable trainers, to impart training to trainees for conducting these courses.

6. Assessing the adequacy of business and training and if felt insufficient to call suggestions, for improvements, changes, modifications, additions alterations in the existing structure.

7. Determining appropriate long term strategies for use, development and control of Manpower.

8. Initiating major changes in the organisation structure and personnel policies, if found necessary.
As Manpower planning is concerned with the optimum use of human resources, it can be of great benefit at both the national and the company unit levels.

At the National level, it would be concerned with factors such as the population, economic development, provision of facilities for education and geographical mobility and hence would be the responsibility of the Government. Manpower planning studies can even be undertaken by the concerned trade unions at their levels as a measure to-

1. Provide job security,
2. Justified work load,
3. New opportunities for development,
4. Opportunities of jobs to new entrants,
5. Promotional opportunities,
6. Transfer opportunities,

The companies practicing Manpower planning process are experiencing the benefits in various ways-

1. Forecasting the compensation costs.
2. Forecasting the long-term Manpower requirements.
3. To derive an opportunity for developing existing manpower to fulfill the future openings through promotions.

4. By anticipating manpower needs for future expansion and development.

5. To create a very favourable psychological climate for their motivation.

6. To determine the weaknesses of existing manpower through the periodical performance appraisal process.

7. To take up intime corrective steps on the threats through the misdeeds of employees.

8. To reduce manpower costs by developing better skill, productivity in employees.

9. To make use in the area of Management succession plan.

10. To identify and develop the potentials in the employees by providing opportunities.

11. To draw a career path plan of employees having necessary potential.

12. To boost the business as a part of corporate objectives.

1.15:: **Limitations and Problems:**

Irrespective of the fact that manpower planning carries with it so many benefits and advantages
and is of such a vital utility, skill it suffers from certain limitations and has to face some problems. These are as under:

1. Limitations of forecasting as howsoever reliance we may place on the latest sophisticated methodology of manpower forecasting, still it cannot respond to accurate and reliable predictions of manpower; more particularly in case of long range forecasts which are likely to be adversely affected in their accuracy being influenced by so many factors, like changes in Market trends, changes in technology, labour markets as well as changes in management methods and proceedings within the frame work of forecasting, it may be possible to predict with some certainty and accuracy, the approximate number of future vacancies likely to occur in an organisation because of deaths, retirements and resignations, but it is beyond the scope of forecasting or even any other means to know which particular managerial or other personnel and when he will be required to be replaced.

2. Forecasts, as is generally the case, come out with general estimates, of manpower requirements in the future, but the management takes action only on specific events. This type of attitude of the management sometimes creates problems for the manpower planner and he is placed in a dilemma.
3. In case of a larger undertaking where future manpower requirements forecast are undertaken on the basis of each unit and when totalling them for reaching overall organisational manpower requirements forecasts. Some variations and inaccuracies due to lack of scrutiny and experience on the part of unit Manpower planners and likely to drop-up, that create a problem to the manpower planner.

In ultimate analysis it may be stated that manpower management can never come within the compass of Science, though behavioural research and systematic approaches to manpower forecasting and planning over a period of years' experience show better results in the accurate predictions of future manpower.

4. Employers and employees traditional practices and approaches.

It is only a very few enlightened managements with a broader scientific management outlook particularly in the developing countries like India, that have realised the importance of manpower resources like any other physical and financial resources within the organisations and have taken initiative in the sharing in and use of manpower planning in their undertakings. Still majority of organisations go their traditional way in
meeting their manpower requirements. They seem to have no faith in the ideology of manpower planning and consider it as something not in keeping with the achievements of their corporate objectives. Similarly employees backed by their unions go the same way and a little further too. They have somehow mis-apprehensions about manpower planning and take it as a device for labour retrenchment.

This is how, employees and employees traditional views and apathy work hurdles in the way of manpower planning.

5) Incidence of Absenteeism - This is a major stumbling block in manpower planning.
In this chapter entire theoretical part on Manpower planning has been discussed briefly. To sum-up the discussions, following conclusions are arrived at:-

1. In the present context of management, manpower has been linked alongwith materials and machines, in terms of job performance. Concept of manpower planning is not an independent process, but it is very much linked with Management of manpower for the purpose of accomplishment of business objectives.

2. In view of the business objectives, jobs are classified, defined, described, standardised and in terms of job requirements the need of manpower is determined, which is a basic step in manpower planning. Therefore, objectives of manpower planning are to provide right number of persons, of right qualities, skills, in right time, at right place. These objectives can be of short or long term.

3. To fulfill these objectives of manpower planning, the process is required to be dynamic i.e. subject to absorption of suitable chances as per the situation and the need. As such, significance of manpower planning is inter-related with the organisation, the Management and the individual factor, in terms of the job as well as Manpower environment.
4. Enrichment of the job and the manpower concerned thereto are directly related with the factors of manpower planning. These factors are dynamic in nature. As per the factors, manpower supply is influenced.

5. The influence in manpower supply is totally dependent on the conditions of Manpower Planning. Manpower cannot be planned on the similar lines of planning the material and machines, as human behaviour factor is involved in manpower. This human factor is sensitive in attitude. Therefore, considering the human behavioural aspects, essential of manpower planning are required to be enlisted.

6. While listing such essentials, a Manpower Planner has to take into consideration expected loss and extra needs for anticipating the manpower needs. Such manpower loss or extra needs can be estimated on the strength of personnel flow. This exercise is not a one time, but a regular periodical and hence along with the business budget, manpower budget preparation is also essential. The manpower budget checklists provide on the manpower inventory and the cost factor of manpower.

7. Considering overall cost factor in total business, formulation of manpower planning is done. However, as indicated earlier, planning job requirements, describing the jobs, standardising the job performance through job specifications are the essential things.
...as an individual, so also as a group factor; which is required to be analysed in terms of time, motion and cost for fulfillment of a job as per specifications.

8. In view of the specifications, the functions of manpower planning and the planners are very important. All the multiple functions such as deciding objectives, estimating manpower requirements as per the organisational structure, auditing available manpower, planning jobs, and their requirements, developing manpower plans etc. these are weighed in terms of the period of plan. For effective manpower planning, linkage of manpower plan, with another plans in general and business plan in particular is essential.

9. Such linkage can sight-out alternate manpower philosophies. Manpower Philosophy is determined on the styles of the Top Management of the organisation. This style consist of selection, skill environment and sustaining capacity of the induced person. As such manpower management cycle is made out of the components consisting of organisation's plan, followed by forecast of Manpower needs, organisational climate, supported to manpower planning process, consisting of recruitment, selection, training, transfers, promotions etc. With the help of the bio-data, manpower skill inventory is prepared and updated through periodical reportings.
Through these reports resultant performance is analysed in terms of the set-targets, which is a basis of performance evaluation in a particular environment, thereby gives scope for forecast of economic business, which again comes at organisation's annual plan for next year. As such the manpower planning cycle rotates.

10. As per the rotation of manpower planning cycle, anticipations are projected and estimates are made as per nature and volume of the job. The levels and categories of manpower are determined as per the functions and as such organisational structure in manpower planning comes in existence. The downward flow starts from the Corporate level to field level at functioning unit level on the work department and finally rests at an individual to perform a job.

11. The entire process, though can be adopted systematically, based on the scientific footings, carries certain limitations due to evolution of number of problems at each of the steps. More particularly, change in economic conditions, changes in technology and market conditions and ultimately change in labour force conditions, these are the aspects of continuous changes which threaten to the accuracy of the process.
12. But even apart from these problems, the uses and benefits of manpower planning is numerous, in general and to the banking industry in particular. More particularly, as the Public Sector Banks are claiming the credit to provide employment generation opportunities, while extending 'mass banking' services to the people in the process of National Socio-economic Development.

Based on the above discussions, the next chapter have been devoted to discuss the Manpower Planning process existing in the Public Sector Banks in India in general with specific reference to the positions existing in the Bank of Maharashtra in particular.

References: 1 to 11 as quoted herein: