

# Importance and Impact of Human Resource Planning in Effectiveness and Competitiveness of an Organization

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## Abstract:-

*Human resource planning may be regards as the quantitative and qualitative, measurement of work force required in an organization and planning in relation to manpower. Human resource planning is an important function of human resource manager which plays a vital role in the organization. Human resource planning deals with anticipating staff requirements, taking into account current and likely future demands for future and the probable availability of individuals with such skills. This is process by which a firm determines how a management should move from its current manpower position to its desired manpower position. The best main power or human resource planning improve effectiveness of an organization, increase skills , abilities, competency and capabilities of all employees of organization or company. This facilitate or help the organization to achieve competitive advantage in front of competitive market. Better human resource planning increase productivity and profitability of an organization.*

**Keywords:** - better human resource planning, staff requirement, effectiveness of organization, better quality, competency, competitive advantage, productivity, goal achievement.

## Introduction:-

The human resource planning is the back bone of an organization. Without effective human resource planning the whole management system is incomplete. Human resource planning is the blood of entire business organization to be alive and go further or ahead.

## Needs of effective human resource planning:-

### 1.) Prevent shortage of human resource and skill :-

In human resource planning the eyes and view of human resource manager is always remains on the present inventory or quantity of human recourse or employees working in the organization. They take the inventory account into the consideration and prevent the organization from the shortage of human resource and skill.

### 2.) Satisfy future staffing needs :-

Human resource planning not only protect or prevent shortage of human resource need in existing or current situation but also satisfy future staffing needs of organization,. Human resource managers in the human resource planning forecast the future human resource or employees need and work for that at

present scenario or position to protect the organization from future short fall of employees or worker.

**3.) Avoid industrial unrest :-**

An effective and efficient industrial planning avoid industrial unrest because it emphasis on future and current forecasting regarding manpower working in the organization. When there is the change in the quantity of employees or workers in the organization, the efforts come into the action by the human resource manager whether it is short fall of employees or excess of manpower or employees it plays a vital role in the easiest continuation of an organization.

**4.) Strong Mile stone in organizational change :**

Better human resource planning become strong mile stone in organizational change. Business is an uncertain unite, the changes occur with the time. Whenever the situation of business expansion or downsize occur, the human resource planning plays an important role to get out from the complex situation, because both of situation whether employees are needed at a large level or have to lay off from the organization. To handle this sort of situation better human resource planning is essential.

**5.) Ensure optimum utilization of human resource :-**

The efficient human resource planning ensure the optimum utilization of human resource within the organization. All the skilled and competent employees or worker allotted the appropriate department and staff on the basis of their skill and capabilities by which the best and optimum utilization of human resource or employees become possible.

**6.) Show the flow of information of individuals :-**

Proper human resource planning shows and builds up a picture of resource flows. It provide data on when, where and how many employees need to be recruited. This flow of individual information helps the human resource manager to make effective plan.

**7.) Satisfy development needs :-**

The importance of human resource planning is, to satisfy development need of the organization. human resource planning helps the organization to improve the quality of employees, helps in skill and capability of employees with the help of training and development organizes inside the organization by the effort of human resource manager, this all effort satisfy the development need of organization.

**8.) Important and critical managerial function :-**

Human resource planning is an important and critical managerial function of human resource manager within the organization. This is a major function of human resource manager. Best management practices cannot be possible without best human resource planning done by human resource manager. This is an inseparable function of human resource manager which brings success in each and every activity of employees or manpower function.

**9.) Increase productivity :-**

Human resource planning is an important aspect of administration and management of organization which improves and increase productivity of an organization through all the employees working in the organization. Best training and development program which

included in the manpower planning enhance the skills and abilities of employees which all helps in increasing the productivity of an organization.

#### **10.) End goals and objectives achievement :-**

With the help of effective and efficient human resource planning, human resource manager become in the condition to achieve predetermined goals and objectives of the organization or company. the better human resource planning avoid strikes and lock out of employees in the organization which helps in continuous run of organization in long time in the life of organization.

#### **Process of human resource planning:**

##### **1.) Determine the objectives of human resource planning :-**

In the process of human resource planning first stage is the determination of human resource objectives. Without determination of objectives, human resource planning can be started. So this is the first step where human resource manager first of all decides and determine the objectives which an organization have to achieve in specific period. The person concerned with man power planning must be clear about the goals of manpower planning. In this the ultimate purpose of manpower planning is to relate future human resource to future enterprise needs so as to maximize the future return on investment in human resources. Manpower planning is an integral part of the corporate planning it must be integrated with

the overall organizational plans. Manpower planning must be done carefully as it has got long term repercussions. Once the wrong forecast of future requirement of human resources and wrong analyses of the available manpower inventory are made, it may not be possible to rectify the errors in the short run process. Therefore, manpower planning should be more concerned with filling future vacancies with right type of people rather than with matching existing personnel with existing jobs.

##### **2.) Environmental scanning :-**

The second step in the process of human resource planning is doing environment scanning which is done by human resource managers and his executives. Environment scanning helps human resource manager or planner to identify and anticipate sources of problems, threats and opportunities that should drive the organizations strategic planning. Environment scanning plays a vital role and helps in better understanding of human resource manager in decisions will be made. Therefore, the second step in human resource planning is to collect information from the external environment regarding the followings:

- a.) Labour market.
- b.) Competition.
- c.) Legal environment that is federal and state laws.
- d.) Economy condition.
- e.) Existing technology.
- f.) Speed in technology change.

- g.) Government regulations.
- h.) Social behaviour and trend.
- i.) Demographic change.

### 3.) Internal Review :-

Internal Review is the third process of human resource planning. As the external review or external environmental review is important as the internal review is more important to plan the human resource. In internal review we include followings:

#### a.) analyse organizational strategy and vision :-

Firstly in the internal review human resource manager analyse organizational plans and objectives of company. All the plans are analysed whether they are related to the marketing department, production department, finance department, expansion and diversification. These all plans gives an idea regarding future decision making of human resource or all employees need. The organization's objectives and goals and strategies for the future determine future human resource need.

#### b.) Time estimation :-

The second stage in the analysis of internal review of organization is time estimation. It is necessary to decide the time estimation for which human resource plans are to be prepared.

#### c.) Current human resource :-

It is very important an organization to know about what is the condition of existing or

current human resource. Human resource planning begins by developing a profile of the current status of human resource in the organization. It comprises an inventory of the workers and skills already available within the organization and a comprehensive job analysis.

#### d.) Review of organizational plans :-

At the fourth stage in internal review process of human resource planning management is to once again review the organizational plans of the organization. The objectives and strategic plans of the company or organization are analysed. Plans concerning to the technology , production, marketing, finance, the volume of future work activity , the future work capacity of the organization are deeply review in successful process of human resource planning.

#### e.) objectives of human resource planning :-

At the last, human resource manager have to determine and review of the main and end objective of human resource planning. The main objective of human resource planning is to relate future human resource to future enterprise needs and expectation so as to bring maximization on the future return on the investment in the human resource.

### 4.) Current manpower inventory :-

The fourth process in the process of main power planning is to take in to record of current manpower availability at present condition. This is very important to know about what is the condition of current manpower or employees working in the organization or company. On the basis of that inventory the future expectation and need can be measured and fulfil. Analysis of current manpower supply may be undertaken by department, by function, by occupation, or by level of skill or qualifications. Appropriate adjustments in these would need to be made in the light of any foreseeable changes in weekly hours of work, holiday, leave entitlements, and so on. It may be noted that assessment of demand for the operative personnel presents less problems of uncertainty and current manpower supply can be adjusted accordingly. But projections of manpower requirement for supervisory and managerial levels present a complex problem because the required talents are not available at a short notice. This explain the need to ascertain the present manpower inventory in the enterprise. This will also help in drawing recruitment and development plans to meet the needs of certain skills in the future. Systematic steps must be taken in order to ensure that a reservoir of talent is available when vacancies occur. The search for talented employees in the organization must be continuous. To be sure that available talent has been included

and the inventory of various skills in the enterprises should be indexed.

#### 5.) Forecasting regarding the demand :-

Once human resource planner has collected information from both internal and external sources, they forecast the demand for human resources. The forecast is done regarding how many and what type of people will be needed to carry out the organizations plans in the future. These forecast are grounded in information about the past and present and in assumption about the future. On the basis of the following information, the future needs for human resources in the organization are anticipated in to:

- a.) Production technology process.
- b.) Future activity budget.
- c.) Make or buy decisions.
- d.) Corporate and functional plans.
- e.) Projection for new positions to be created.
- f.) Job content.
- g.) Job behaviour pattern.
- h.) Control systems.
- i.) Vacancies arising in current manpower.

The proper forecasting of human resource planning is also subdivides into long range and short range forecasts. Future demand for human resource depends on several factors, some of which are describes as follows:-

#### a.) employment trends :-

Trends in the company's manpower can be judged by

comparing and analysing the staff during the past years. The manpower planning committee at the corporate level should make an examination of number of the employees on the payroll during the past five years to know the trend within each group. With the help of this, it would be possible to determine whether a particular group has been stable or unstable and whether it has been expanding or contracting.

**b.) Economy condition :-**

Movements from prosperity to recession and back to prosperity pose considerable problems for the personnel executive.

**c.) Social trends :-**

Managers must anticipate and adapt to other potential changes in both customs and laws.

**d.) Demographics :-**

The manager should study the demographical traits of manpower. Demographic traits must be taken into the consideration, they play an important role in decision making of human resource manager.

**6.) Work study :-**

Work study technique can be used when it is possible to apply work measurement to know how long operations should take and the

amount of labour requirement. This is also known as workload analysis. On the basis of the work load of each plant during the forthcoming years, workforce analysis is done considering the rates of absenteeism and labour turnover.

**7.) Work analysis :-**

In this analysis, the average loss of manpower due to leave, retirement, death, transfer, discharge and so on during the last 5 year may be taken into account. Rate of absenteeism and labour turnover should also be considered in order to arrive at the manpower inventory.

**8.) Work load analysis :-**

For the better manpower plan the company has to organize the work analysis. Company tries to calculate the number of man hour required for various jobs with reference to a planned output.

**9.) Statistical techniques :-**

Managerial judgment and work study techniques can be applied to smaller organizations with few operations for short term demand forecasting. Long range forecasting of big organizations require statistical and mathematical techniques.

- Econometric model is used for sales, revenue, and profit.
- Burkes smith model is used to find estimated level of personnel on basis of total volume of business in rupees and total growth in business.
- Ratio and trend analysis used for specific purpose. Human resource needs can be estimated by projecting past



trends. Ratio of number of workers to productions volume can be used to project the manpower requirement of future.

- Regression analysis is used to analyse dependent and independent variable.

#### 10.) Employment plans :

This phase deals with planning how the organization can obtain the required number of right type of personnel as reflected by the personnel forecasts. In other words, there is a need to prepare programmes of recruitment, selection, training, transfer and promotion so that personnel needs of various departments of the organization are met.

#### 11.) Monitoring and control :-

Once the actions plans are implemented, the human resource structure and system need to be reviewed and regulated. Zero base budgeting may be used to encourage manager to justify their action plans. Control phase involves allocation and utilization of human resource over time. Review of manpower plans and programmes helps to reveal deficiencies. Correctives actions should be taken at the right time to remove the deficiencies. Manpower inventory should be updated periodically. Necessary modifications in manpower plans should be made in the light of changing environment.

#### Suggestion and finding:-

- 1.) The human resource planning is a strategy for the acquisition, utilization, improvement and preservation of human resource of an enterprise or organization.
- 2.) A proper recruitment and selection procedure is developed along with manpower planning.
- 3.) Manpower planning aims at ascertaining the manpower needs of the organization both in number and kind.
- 4.) Human resource planning helps in determining the shortfall of manpower needs with the present supply of manpower. It also helps in projecting future manpower needs.
- 5.) Human resource planning deals with policies and programmes that are used in coordinating supply and demand in order to attain the goals desired.
- 6.) Manpower planning helps an organization to staff itself with right people at the right time.
- 7.) Best human resource planning present an inventory of existing manpower of the organization. An analysis of the inventory of manpower helps in ascertaining the status

of the available with the organization.

- 8.) Efficient human resource planning is concerned with the initiation of various organization programmes depending upon the demand and supply of the human resource.
- 9.) Human resource planning may be organized at different level of an organization. It is also done at macro level and national level as well.
- 10.) Human resource planning is a part of the corporate plan. It influence corporate strategy and is in turn influenced by it.
- 11.) Effective manpower planning must encompass the acquisition, utilization, improvement and preservation of human resource of the organization.

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