



Review of Literature on Human Resource Planning as an Ongoing Important Practice to Anticipate Future Human Resource Requirements within an Organization

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DOI: <https://doi.org/10.55248/genpi.2022.3.11.4>

ABSTRACT:

One of the most crucial human resource practices in the company is human resource planning. Organizations heavily rely on human resource planning to assess their existing situation and forecast their future labor requirements. This paper's goal is to assess the value of human resource planning to the company through a study of the relevant literature. The objectives of human resource planning, the process of human resource planning, and the significance of human resource planning to the organization are the main topics of this paper's review of the relevant literature. The following steps make up the human resource management (HRM) process: human resource planning, recruitment, selection, professional development, performance evaluation, and remuneration. Human Resource Planning (HRP), the first phase in the HRM process, entails identifying the HR goals of an organization, formulating a strategy for achieving those goals, and creating a comprehensive set of plans to integrate and coordinate operations as part of the HR strategy. This role is essential since organizations are by their very nature purposeful (goal-seeking) entities. To create appropriate HR plans for the firm, large organizations hire specialists and even set up departments that frequently use sophisticated quantitative methods and computer tools. The business manager is in charge of planning the HR strategy in smaller firms. The results show a strong correlation between human resource planning and organizational manpower needs as well as between human resource planning and organizational performance. As a result, this paper advises organizations to keep up their effective human resource planning practices because it is crucial to achieving their goals.

Keywords: Human resource practices, labor requirements, recruitment, selection, professional development, organizational manpower

Introduction:

People create organizations, and those same people are the organization's most valuable strategic resource. Without people, no organization could accomplish its goals. Effective human resource planning is a mechanism for building long-term capacity to meet the workforce challenges (Choudhury, 2007), which is why human resource management has the potential to help organizations survive, grow, and be competitive. According to Lunenburg (2012), organizations must utilize their human resources appropriately in order to achieve high performance standards (Werner, Jackson & Schuler, 2012). Prior to the late 1970s, what is now commonly referred to as HRP was known as manpower planning. The first stage of the HRM process is HRP. It involves analyzing and determining the availability and need for human resources so that the organization can achieve its goals. The goal of HRP is to make sure that the organization has the appropriate number of human resources who are available at the appropriate times and locations and have the appropriate capabilities. An organization must take into account long-term availability and job allocation in HRP, not just for the upcoming month or year. Additionally, HR plans may include a number of strategies as part of the analyses. Employees may be moved to different positions within the company, their numbers reduced through layoffs or other means, their existing positions retrained, and/or their numbers increased in specific departments. The knowledge, skills, and abilities of the current employees as well as the anticipated job openings brought on by retirements, promotions, transfers, and discharges are important considerations. Human resource management depends on human resource planning because it converts organizational goals into the number of employees needed by identifying the human resources necessary for the organization to meet its strategic objectives. An organization must ensure efficient human resource planning if it is to manage its human resources. In order to meet the organization's manpower needs, human resource planning is essential. One of the most crucial components of an effective human resource management program is human resource planning (De Cenzo & Robbins, 1988). According to studies, about 80% of middle-sized and larger companies now regularly perform human resource planning, which increases the likelihood that an organization will thrive in a competitive environment (Craft, 1988). Long-term competitiveness is largely influenced by the effective use of human resources (Zülch, Rottinger, & Vollstedt, 2004). Planning for human resources is essential during organizationally unstable times, such as mergers, consolidations, and studies of the labor market or low unemployment (Mello, 2001). Making sure the appropriate people are in the right place at the right time is a key component of human resource planning, which aims to prepare organizations for their present and future workforce demands (Jacobson, 2010). By comprehending and making plans for people's requirements in the short, medium, and long terms, human resource planning can be used to attain organizational goals (Colley & Price, 2010).

Review of Literature:***The Concept of Human Resource Planning:***

Determining the organization's present and future manpower needs that will enable it to achieve its goals is its responsibility. Human resource planning, according to Bulla and Scott (1994), is a procedure for ensuring that the organization's human resource needs are identified and plans are established for meeting those needs. Those human resources were identified by Milkovich and Boudreau in 1993. Planning is the process of gathering and utilizing data, from which it is possible to discuss the amount of resources used. Human resource planning, according to Mondy and Noe (2006), is the first step in human resource management and deals with determining the needs for human resources, job analysis, recruiting, selection, and socialization. Workforce planning, according to Reilly (2003), is the process through which an organization tries to estimate the demand for labor and assesses the quantity, type, and source of supply that will be needed to meet that demand. The first and most fundamental action of the human resource management function is planning. Human resource planning needs to be connected to the organization's overarching strategy, according to Khadka (2009). According to Koubek (2007), personnel planning help a company reach its goals by predicting future development, establishing goals, and putting plans into action that will guarantee that business duties will be carried out with enough staff in the present and the future. All future positions are included in personnel planning, according to Dessler and Varkkey (2009), and planning originates from the company's strategic strategy. Human resource planning, as defined by Mullins (2003), is the process of planning for an organization's workforce requirements in order to guarantee that the personnel demands are consistently met. Demand and supply analysis is used to accomplish this. Human resource planning, according to Dwevedi (2012), is a procedure that aids in carrying out crucial human resource tasks, such as providing accurate and timely information regarding when to conduct staff recruiting. Human resource planning, according to Cascio (1992), is an endeavor to foresee future economic and environmental demands on an organization and to provide the staff necessary to meet those expectations. Human resource planning, according to Walker (2002), is the process of identifying and addressing the issue of workers as well as laying out new policies, procedures, and programs that will guarantee effective human resource management in light of shifting circumstances. According to Mursi's (2003) theory, human resources management operations are guided by a process called planning. Human resource planning is a process that places an organization in the best possible position by ensuring that it has the right amount and type of human resources to fulfill its objectives (Jahanian, 2009). Forecasting manpower demand entails determining the quantity and kind of human resources needed at various levels and in various organizational divisions (Pradeesh, 2011). According to Randal (2000), human resource planning is the process of creating and putting into action strategies and initiatives to guarantee that the appropriate quantity and kind of people are accessible at the appropriate time and location to meet organizational needs.

Major Objectives of Human Resource Planning:

According to Reilly (1999), there are a number of reasons why businesses decide to implement human resource planning. According to Michael (2006), the goals of human resource planning in any organization will be greatly influenced by its context. Identifying the gap between what is needed and what is available is the goal of human resource planning, which forecasts organizational needs for employees while taking into account both internal and external labor supply to meet staffing requirements (Santos, Zhang, Gonzalez &Byde, 2009). Noe (2012) noted that in addition to budgetary constraints, other factors that affect forecasting demand for personnel include turnover brought on by resignations, contract terminations, transfers, and retirement, as well as new technology in the industry, decisions to improve the quality of services offered, and hiring goals for minorities. A mathematical formula is used in the context of human resource planning to project future demands for human resources based on a known relationship between the employment level of an organization and some quantifiable output factors, such as revenue, sales, or production level. Walker (1980) established that human resource planning plays a crucial role in forecasting future demands of the organization's business and environmental factors. It also assists in generating and managing the demand for human resources as necessary and as conditions depict. Imison, Buchan, and Xavier (2009) argued that the most typical goal of human resource planning is striking the right balance between supply and demand for labor. According to Ulrich (1987), human resource planning should be acknowledged as a source for the development of organizational functions based on the goals and missions of the company. The effectiveness of human resource planning depends on the context in which it is used, like most organizational practices (Walker, 1990).

Process of Human Resource Planning and execution:

In order to guarantee that the appropriate caliber and quantity of human resources are available when and where they are needed, human resource planning captures all actions involving continuous environmental scanning and reviewing of organizational strategies, objectives, and policies (Randhawa, 2007). According to Dessler (2001), human resource planning is a dynamic, ongoing process that involves numerous interconnected activities that must be updated and modified as circumstances change. According to Randall (2000), human resource planning entails creating an inventory of the current workforce in order to assess the status of the workforce, including its size, type, and work scope. The inventory entails looking at the available workforce's skills, number of employees, experience, and age structure span of control. According to Harbison (1973), human resource planning entails a number of tasks, such as forecasting human resource requirements, taking stock of the current workforce and evaluating its level of productivity, anticipating problems with the use of the workforce by looking ahead and assessing the sufficiency of the current workforce, and planning the necessary programs of requirement. Accordingly, John (2008) argued that a five-step process should be used to link departmental planning with human resource or workforce planning in order to control the present and future needs and demands of the human resource. This process should include setting business goals, scanning the environment, performing gap analyses, deciding on human resource priorities, and measuring, monitoring, and reporting progress. The prediction of future demand for human resources, the prediction of future supply of human resources, and the closing of the gap between the first and second pillars and the development of policies for that were the three pillars of manpower planning discussed by Edwards (1983).

Izueke (2009) made the point that human resource planning necessitates a thorough examination of both the present and the future to guarantee that the organization has the appropriate number of people on hand who are skilled enough to carry out the tasks required of them when needed. The quality of human resource planning is dependent on personal records, according to Butter (2002). Ghazala & Habib (2012) argued that the human resource planning process should make sure that employees of an organization have the necessary skills and competencies for the enterprise's success.

Importance of Human Resource Planning to the Organization in present context:

According to Armstrong (1992), one of the most important objectives in business is to increase productivity, and human resource planning is crucial to achieving this productivity. Parker and Caine (1996) noted that having the appropriate manpower levels is crucial for organizations to avoid unfavorable situations like the issue of excess and shortage of manpower. Planning is linked to the nature of organizations, according to Cole (2002), and it is essential to the success of an organization's strategy. According to Reilly (2003), human resource planning procedures allow a company to estimate the demand for labor and assess the quantity, kind, and sources of supply that will primarily be needed to meet that demand. Craft (1980) noted that human resource planning has an impact on the caliber and type of candidates who choose to work for a company. Companies that use HRP are more likely to be aware of the specific qualities they are seeking in candidates, which improves the quality of their decisions. According to research by Katua et al. (2014), human resource planning strategies can improve a company's performance. Businesses should develop and document their human resource planning strategies with the goal of improving both employee and organizational performance. According to Hassan (2003), failing to properly articulate and implement the three core responsibilities of human resource planning—forecasting labor needs, managing employee demand, managing market supply, and maintaining a balance between labor supply and demand forecasts—will be a major challenge for businesses in terms of cost and expertise, which will ultimately hurt their ability to compete. Walker (1990) claimed that, as competitive advantage is sought through better service, quality, cost control, and organizational effectiveness, planning for human resources is more crucial than ever. Executives now understand that, in order to balance attention to the financial and technological side of business, attention must be paid to planning for human resources. The process of business planning now must include more emphasis on the need for human resource planning (Meehan et al. 2002). According to Aslam et al. (2013), organizations that view human resource planning as a significant and integral component of their human resource management are very helpful in managing their human resource capital and may help them stand out from the competition in the market. Human resource planning is crucial for emerging, rapidly growing, and high tech businesses, according to a study by Edwards and Pearce (1988) on high technology businesses. According to a study on the development of human resources by Gifford (2011), human resource planning identifies the necessary skills for various levels of employment. Human resource management and organizational performance have a significant and favorable relationship, according to a 2003 study by Mursi. Human resource planning is crucial to deal with the change brought on by external environmental factors, according to Bogdan's (2012) study on coping with change in the northern province of France. When Ogunrinde (2001) looked at how human resource planning was used and how it related to how well organizations performed, he discovered that those organizations that used it outperformed those that didn't. A Mildred (2012) study on the impact of HRM practices on the financial performance of commercial banks in Kenya came to the conclusion that one of the key HRM practices that has an impact on the financial performance of commercial banks is human resource planning. Human resource management and organizational performance have a beneficial relationship, according to a Hiti (2000) study. According to a study by Cakar (2012), one of the key benefits of human resource planning is that it meets the organization's need for a qualified workforce. It also significantly lowers labor costs by maintaining a balance between supply and demand for human resources. In his investigation into the impact of manpower planning on organizational performance, Arsad (2012) discovered a favorable correlation between the two. Additionally, a study by Johne (2009) revealed that by supplying team players, human resource planning plays a significant role in organizational performance. According to a study by Chand and Katou conducted in the Indian hotel industry in 2007, manpower planning has a significant impact on organizational performance and is strongly correlated with productivity. According to a 2012 study by Amaratunga on how human resource planning can guarantee adequate staff levels, one of the main purposes of human resource planning is ensuring that different company departments have enough staff to finish all the work necessary to achieve the organization's goals. In their study of human resource planning and organizational performance in oil and gas companies in Port Harcourt, Nigeria, Anya, Umoh, and Worlu (2017) discovered that HRP has a significant impact on organizational performance in predicting future business and environmental demand, which aids in managing the demand for human resources as necessary. Employee resourcing strategies have a significant positive impact on the performance of the aforementioned banks, according to a study by Ngui et al. (2014). The study also found that banks should develop and document human resource planning strategies in order to improve employee and organizational performance. Leng (2005) looked at the significance of human resource planning on a construction project and discovered that it significantly improves project performance, addresses skilled labor shortages, a transient workforce, and a lack of efficient training and performance appraisals. Human resource planning strategies can improve a firm's performance, according to Katua et al. (2014). The researchers' conclusions led them to advise businesses to create and record HRP strategies with the goal of improving both employee and organizational performance. According to Chan et al. (2006), accurate forecasts of the demand for labor can help decision-makers avoid unnecessary expenditures, achieve efficient and balanced industry growth, and advance the economy.

Human resource planning process:

Following the creation of the organization's strategic plan, which involved the HR department in every step; it is possible to start identifying the precise future personnel requirements. In HRP, there are three fundamental phases.

I. Phase: Finding out how many and what kind of workers the company will require in the future is the focus of the first phase. The requirements forecasting step is at this point. The strategic business plan may call for an increase or decrease in organizational positions, or the number of employees, as well as the creation of new employment or the termination of current ones. The number of employees who will be lost through regular attrition, such as terminations and retirements, must also be taken into account in the requirements forecast. The expected organizational structure of the future is

developed when all the requirements-influencing elements have been taken into account and the human resource planners have identified the employees required to carry out the business strategy.

II. Phase: The determination of the availability of qualified individuals to staff the organization of the future is a requirement of the second phase of HRP. Currently, planners must search within the company to find people who might be transferred to new positions or promoted. To predict the quantity of suitable people who will be available to meet the future staffing demands, they must also go beyond the company by analyzing demographic data and other criteria. Then, personnel availability is compared to staff requirements. Although every stage of the HRP process is important, the need-to-availability comparison is particularly significant because it identifies the staffing issue that the organization will face in the future and suggests steps that will need to be taken to balance the supply and demand of human resources.

III. Phase: The formulation of precise plans of action to guarantee the institution will have the right people in the right places at the right times to carry out the strategic business plan constitutes the HRP's final phase.

IV. Phase: Develop and implement a plan such that it works accordingly as per the requirements of the HRP

V. Phase: Monitor, review and also reassess your plan to correct deviations if any



Figure 1 showing Human resource planning process

Major types of Human Resource Planning (HRP):

Short-term or long-term:-The short-term plans address the needs that arise right away, as well as the supply of personnel and executive training programs. These strategies are better suited for particular projects and activities. The long-term plans show how management will be thinking in three to five years or even longer. It could be determined by factors such as the anticipated change in the company structure, the business climate, personnel policy, and the demand and supply of qualified workers. Creating controls for potential change is the goal of the long-term planning. Additionally, it helps CEOs avoid change resistance by preparing them to adapt to a changing environment gradually and painlessly over time.

Formal or informal: - A formal plan is one that is implemented through a plan document, management decision, statement, charts, and graphs, among other forms. An informal plan just exists in the managers' heads. It might manifest itself without a prior official statement in the form of thoughts, recommendations, and occasionally even through action. The formal plans typically do not contain the succession plans for top-level employees.

Comprehensive or specific:-A thorough plan covers every facet of predicting requirements, training and development programs, recruitment, replacement, and succession plans for the entire firm. The individual strategies might just address a specific issue or aspect.

Single choice or multiple choices:-While the multiple choice plans offer a number of decision points with options, the single choice plans allow little to no deviance from the established methods. The multiple choice plans give managers the ability to adapt their strategy based on the situation, as is typical, for example, in the game of chess.

Barriers to HRP (Human Resource Planning):

Planners face significant barriers while formulating an HRP. The major ones are the following:

- People debate the significance of making HR practices future-focused and the part HR professionals play in developing company strategies. The crux of their claim is that help is available when required. When you find them in excess, present them with a tempting package of advantages to get them to quit.
- Although business management is not their area of expertise, HR professionals are thought of as specialists in addressing personnel issues. When the organizational plan is integrated with the people plan developed by HR professionals, the entire strategic plan may become flawed.
- Information on human resources is frequently incompatible with data needed to develop strategies. Financial forecasting has long dominated efforts at strategic planning, frequently to the exclusion of other sorts of data.
- Long-term and short-term HR requirements could clash. For instance, there may be a contradiction between the desire to complete work quickly and longer-term requirements, such as training individuals for taking on more responsibility. Many managers have the opinion that as long as wages and salaries are competitive, HR needs may be instantly satisfied because skills are readily available on the market. These managers don't understand that long-term difficulties are disregarded when hiring or promoting people based solely on immediate needs.
- The quantitative and qualitative approaches to HRP are at odds with one another. Some people think of HRP as a mathematical game that tracks how many people move across departments. These people approach planning in a purely quantitative manner. Others adopt a qualitative strategy and concentrate on the problems of specific employees, such as career development and promotionability. A mix between the quantitative and qualitative techniques would produce the best results.
- Operating managers must be involved for HRP to be effective. HRP is not purely a function of the HR department. A coordinated effort between operational management and HR staff is necessary for successful planning

Conclusion:

Typically, businesses plan for their upcoming requirements for funding, construction capacity, supplies, and equipment. Additionally, organizations need to make plans to guarantee that their needs for human resources are met. In order to retain a staff of the desired amount and quality to meet the organization's goals, human resource planning entails assessing staffing needs, forecasting available workers, and figuring out what additions or replacements are necessary. The role of human resource planning incorporates at least three different components: job analysis, demand and supply forecasts, and regulatory constraints. HRP is crucial to the development and success of any firm. It is a crucial component of the company and has a direct bearing on the creation and application of business strategy. Establishing plans to guarantee that the organization satisfies these personnel requirements and determining the future extent and character of the work that needs to be done in the organization are both parts of HRP. It entails not only looking inside to identify the positions that need to be filled, the quantity of employees needed, and their competencies, but also looking externally to the business to ascertain whether the necessary employees are readily available on the labor market. Poor HR planning, or the absence of it, slows down work in the short term and has negative long-term effects on the business. Having the right number of employees is the overarching goal of HR planning in order to maximize productivity for the business. Human resource planning is a common practice because the company's objectives and strategy evolve over time. As a result, every organizational planning process should include HR planning. In addition, given that the literature analysis placed a strong emphasis on the effective supply and demand of labor, it is clear that human resource planning is crucial for organizations since it forms the foundation of all other organizational activities. It is advised that human resource managers keep valuing and putting human resource planning into practice in their businesses because it helps the latter reach its goals in an effective and efficient manner.

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