

# The Role of Human Resource Planning in Driving Organisational Development: A Study

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## Abstract

Human Resource Planning (HRP) plays a crucial role in aligning workforce capabilities with the strategic goals of an organization, thereby acting as a key driver of organizational development. This study examines the significance of HRP in ensuring the right number of people with the right skills are available at the right time to meet organizational needs. It explores how effective HRP contributes to talent acquisition, skill enhancement, succession planning, employee retention, and overall performance improvement. By integrating HRP with organizational development strategies, organizations can foster adaptability, innovation, and sustainable growth in a competitive environment. The paper draws upon existing literature, case studies, and empirical findings to highlight the relationship between HRP practices and long-term organizational effectiveness. The study concludes that systematic HRP is not only a workforce management tool but also a strategic enabler that strengthens organizational resilience and drives development.

**Keywords:** Workforce Planning, Talent Management, Succession Planning, Employee Retention, Organizational Growth

## Introduction

In today's dynamic and competitive business environment, organizations are constantly challenged to adapt to technological advancements, globalization, and evolving workforce expectations. Human resources, as a vital organizational asset, play a central role in sustaining growth and competitiveness. Human Resource Planning (HRP) has emerged as a strategic approach to anticipate future workforce needs, align talent with organizational goals, and ensure the effective utilization of human capital.

Human Resource Planning goes beyond routine staffing; it involves forecasting labor demand and supply, identifying skill gaps, and designing strategies for recruitment, training, development, and succession planning. By proactively managing these processes, organizations can not only mitigate risks associated with workforce shortages or surpluses but also create a culture of continuous learning and adaptability. This, in turn, drives organizational development by enhancing productivity, innovation, and employee engagement.

Organizational development, which emphasizes planned and systematic change, relies heavily on the availability of skilled and motivated employees. Effective HRP ensures that the right individuals are positioned in the right roles at the right time, thereby facilitating smooth transitions during restructuring, expansions, or technological transformations. Moreover, HRP contributes to long-term strategic objectives such as leadership development, retention of top talent, and building organizational resilience.

This study seeks to explore the role of Human Resource Planning in driving organizational development. It examines the interlinkages between HRP practices and organizational outcomes, drawing attention to how effective planning of human resources serves as a catalyst for sustainable growth and competitiveness.

### **The Major activities of Human Resource Planning include**

**Forecasting future manpower requirements**, either in terms of mathematical projections of trends in the economy and developments in the industry, or of judgmental estimates based upon specific future plan of the company.

**Inventorying present manpower resources** and analyzing the degree to which these resources are employed optimally.

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

**Planning the necessary programmes** of recruitment, selection, training, deployment, utilization, transfer, promotion, development, Motivation and compensation so that future manpower requirements will met.<sup>3</sup>

Man power planning helps in ensuring that an organization has the right kind of employees in sufficient numbers doing the right kind of job. It also makes sure that the employees doing a particular job are capable of performing the job efficiently and effectively. Coleman has described the process as “**the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organization.**”

Manpower planning means deciding the number and type of the human resources required for each job, unit and the total company for a particular future date in order to carry out organizational activities. Manpower planning may be viewed as foreseeing the human resources requirement of an organization and the future supply of human resources and

1. Making necessary adjustments between these two and organizational plans and
2. Foreseeing the possibility of developing the supply of manpower resources in order to match it with the requirements by introducing necessary changes in the functions of human resources management.

Manpower planning is done at both the macro level and the micro level. It is influenced by the environmental factors like employment rate, demographic changes, legal control and organizational policies at the macro level, the factors like technological changes, trade union pressure, gap in skill and competency and recruitment and selection affect the process of manpower planning at the micro level.

### **The main features of manpower planning are**

1. It is future oriented and involves the forecasting of manpower requirements so that these demands can be fulfilled with timely and adequate supply of personnel.
2. It is a continuous process as the manpower demands of the organizations keep on changing with its needs and environment.
3. Manpower planning aims at the optimal use of the present and future workforce of the organization, thus it is required for getting maximum results from the investment in human resources
4. Manpower planning involves both quantitative and qualitative aspects. While the quantitative aspects deal with the right number of people at a job, the qualitative aspect involves the search for the right kind of people for a particular job.

### Objectives of Human Resource Planning

1. To examine the role of Human Resource Planning (HRP) in aligning workforce capabilities with organisational goals.
  2. To analyse how HRP contributes to organisational development through talent acquisition, training, and succession planning.
  3. To identify the relationship between effective HRP practices and employee performance, retention, and engagement.
  4. To explore the impact of HRP on organisational adaptability, innovation, and long-term sustainability.
- To provide recommendations for enhancing HRP strategies to strengthen organisational development.

### The Process of Human Resource Planning

**Analysing the Corporate Level Strategies:** – Human Resource Planning should start with analysing corporate level strategies which include expansion, diversification, mergers, acquisitions, reduction in operations, technology to be used, method of production etc. Therefore Human Resource Planning should begin with analysing the corporate plans of the organisation before setting out on fulfilling its tasks.

**Demand Forecasting:** – Forecasting the overall human resource requirement in accordance with the organisational plans is one of the key aspects of demand forecasting. Forecasting of quality of human resources like skills, knowledge, values and capabilities needed in addition to quantity of human resources is done through the following methods: -

- a. **Executive or Managerial Judgement:** – Here the managers decide the number of employees in the future. They adopt one of the three approaches mentioned below: -
  - **Bottom-Up approach:** – Here the concerned supervisors send their proposals to the top officials who compare these with the organizational plans, make necessary adjustments and finalise them.
  - **Top-Down approach:** – Here the management prepares the requirements and sends the information downwards to the supervisory –level who finalises the draft and approves it.
  - **Participative Approach:** – Here the supervisors and the management sit together and projections are made after joint consultations.
- b. **Statistical Techniques:** – These methods use statistical methods and mathematical techniques to forecast and predict the supply and demand of Human Resources in the future.
  - **Ratio-Trend analysis:** – In this method depending on the past data regarding number of employees in each department, like production department, sales department, marketing department and workload level, etc. ratios for manpower are estimated. Past values are plotted and extrapolated to get fairly accurate future projections.
- c. **Work Study method:** – This technique is suitable to study the correlation between volume of work and labour i.e. demand for human resources is estimated based on the workload. Work study method is more appropriate for repetitive and manual jobs when it is possible to measure work and set standards.
- d. **Delphi Technique:** – „Delphi“ Technique is named after the Greek Oracle at the city of Delphi. In this method, the views of different experts related to the industry are taken into consideration and then a consensus about the Human Resource requirement is arrived at. Delphi technique is used primarily to assess long-term needs of human resource.<sup>5</sup>

- e. **Analysing Human Resource Supply:** – Every organization has two sources of supply of Human Resources: Internal & External. Internally, human resources can be obtained for certain posts through promotions and transfers. In order to judge the internal supply of human resources in future human resource inventory or human resource audit is necessary. Human resource inventory helps in determining and evaluating the quantity of internal human resources available. Once the future internal supply is estimated, supply of external human resources is analysed.
- f. **Estimating manpower gaps:** – Manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficit or surplus of Human Resources in the future. Deficit suggests the number of persons to be recruited from outside, whereas surplus implies redundant employees to be re-deployed or terminated. Employees estimated to be deficient can be trained while employees with higher, better skills may be given more enriched jobs.
2. **Action Planning:** – Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment. People may be persuaded to quit voluntarily through a golden handshake. Deficit can be met through recruitment, selection, transfer and promotion. In view of shortage of certain skilled employees, the organization has to take care not only of recruitment but also retention of existing employees. Hence, the organization has to plan for retaining of existing employees.
3. **Modify the Organizational plans:** – If future supply of human resources from all the external sources is estimated to be inadequate or less than the requirement, the manpower planner has to suggest to the management regarding the alterations or modifications in the organizational plans.
4. **Controlling and Review:** – After the action plans are implemented, human resource structure and the processes should be controlled and reviewed with a view to keep them in accordance with action plans.

**The mission & vision of the organization:**–the organization should be clear about its mission & objectives. The manpower planning must be integrated with other business policies such as profitability, production, sales & development. Any change in the business objectives would certainly affect the manpower planning. The ultimate aim of manpower planning should be to relate future human resource to future enterprise need so as to maximize the future return on investment.

**SWOT Analysis:**– After organization has fixed the goals & objectives, the next step is the corporate assessment. The company now begins to analyze its goals, **current strategies**, external environment, strengths & weaknesses, opportunities & threat, to know whether they can be able to achieve with the current human resource. The SWOT (Strengths, weakness, opportunities, & threats).

The SWOT analysis will give the clear picture about the organization resources such as capital & worker it will also indicate departmental abilities such as training & development, marketing, accounting, research and development & management information system. This SWOT analysis serves as the link between the organization goals & the way or direction in which the organization should go to meet its objectives.

### **Problems in Manpower Planning**

**Accuracy of forecasts:**–If the forecast are not accurate, planning will not be accurate. Inaccuracy increases when departmental forecasts are merely prepared without critical review.

**Identity Crisis**

Many human resources specialists & the managers do not understand the whole manpower planning process. Because of this there is generally an identity crisis.

**Support of Top Management**

Manpower planning requires full & whole hearted support from the top management. In the absence of this support & commitment, it would not be possible to ensure the necessary resources & cooperation for the success of the manpower planning.

**Resistance from Employees**

Employees & trade unions resist manpower planning. They feel that this planning increases their overall workload & regulates them through productivity bargaining. They also feel that it would lead to wide spread unemployment, especially of unskilled labour.

**Insufficient initial efforts**

Successful human resource planning flourishes slowly & gradually. Sometimes sophisticated technologies are forcefully introduced just because competitors have adopted them. These may not be successful unless matched with the need & environment of the particular enterprise.

**Management information system**

Effectiveness of the planning depends upon the reliability of the information system. In most of the Indian industries, human resource information system has not fully developed. In the absence of reliable data it would not be possible to have effective planning.

**Expensive & Time consuming**

Manpower planning is an expensive & time consuming process. Employers may resist manpower planning feeling that it will increase the cost of manpower.

**Coordination with other managerial Functions**

There is generally a tendency on the part of the manpower planners to remain aloof from others operating managers & to become totally absorbed in their own world. To be effective manpower planning must be integrated with other management functions.

**Unbalanced Approach**

Many human resource person gives more importance on the quantitative aspects of manpower to ensure that there is adequate flow of people in & out of the organization. They overlook the qualitative aspects like career development & planning, skill levels, morale.

Human Resource planning plays an important role in the planning of an organization. All the organizations have same type of resources in the form of Man, Money, Material, but it the planning of human resources by putting the right man at the right time at the right job makes all the differences in the performance of the organization. Human Resource planning must include human resource development integration individual career planning with it.<sup>6</sup>

Human Resource Planning Plays an important role by putting the right man at the right job at the right

time which helps in reducing the waste of resources as well as helps in increasing chances of profitability .It helps in motivating employees and getting maximum results from them, this generates positive organizational environment in the Organization.

### Conclusion

The study highlights that Human Resource Planning (HRP) is not merely an administrative function but a strategic driver of organisational development. By forecasting workforce requirements, bridging skill gaps, and ensuring the right talent is available at the right time, HRP enables organisations to adapt to change, enhance productivity, and achieve long-term sustainability. Effective HRP fosters employee engagement, retention, and leadership development, all of which are essential for building organisational resilience and competitiveness in a dynamic environment.

The findings emphasise that when integrated with organisational strategies, HRP contributes to innovation, adaptability, and growth, thereby reinforcing its role as a catalyst for planned and systematic organisational development. Organisations that prioritise HRP as a strategic function can better manage uncertainties, optimise human capital, and sustain a culture of continuous improvement. Hence, Human Resource Planning should be viewed as a vital tool for driving organisational success and achieving development goals.

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