Achieving Organizational Performance through Proper Human Resource Planning

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Abstract: Through existing literature, this paper explores how proper human resource planning could lead to achieving organizational performance. It highlights the imperative and process of human resource planning. It also examines the dimensions of human resources planning – employer recruitment and selection. It equally brings into view the imperative of organizational performance and its measures – quality delivery and profitability. It concluded by asserting that organization should ensure it attracts and retains employees with requisite abilities and capabilities that would enable it achieve its performance; and this could be achieved through proper human resource planning.

Key Words: Human Resource Planning, Achieving and Organizational Performance.

1.0 INTRODUCTION

Organizations are kept in business to accomplish set predetermined goals and objectives. The achievement of the set goals and objectives enables organizations to continue and grow in business (Balyan, 2016). The concept of organizational performance enables organization to juxtapose its goals and objectives with its actual performance. It delineates the extent to which an organization is able to attain the needs of shareholders and its own needs for survival (Graffin, 2000).

In line with Graffin (2000), Richard et al (2009) posit that the concept of organizational performance enables an organization to compare its goals and objective with its real performance in three specific areas: financial performance, market performance and shareholder value. It is joined to the notion of effectiveness and efficiency. A business organization must produce, considering the requirements of customers or clients and ensuring that resources are not wasted but proportionately utilized to achieve organizational performance.

Knowledge Gap:
A lot of works on how to achieve organizational performance have been executed by various scholars and researchers. Some adopted leadership, motivation or communication as their predictor variable. Some also adopted human resource planning (HRP), as their predictor variable but however, used different measures from ours. Such studies include: Obiwuru et al. (2011) and Stella (2007). Though these studies may have yielded some positive results yet there is still a yearning in the heart of scholars and researchers to explore a more effective strategy that could help to achieve organizational performance. For this reason, this paper seeks to bridge the
gap by examining how human resource planning could achieve organizational performance. This effort will be made by drawing from the existing literature.

2.0 The Concept of Human Resource Planning:
Organizations as open systems are affected by the environment in several ways: The need for goods and services and the supply of labour. Managers must have knowledge of scenarios in these areas to ensure that their businesses are not negatively affected. Increase in the demand of goods and services leads to growth when there is enough supply of the needed labour. Lack of supply of the needed human resource at such a time can constitute hindrance to growth (Edwinah, 2006). The author goes further to say that surplus supply of employees and reduction in demand of goods and services may culminate in excessive cost which is one of the primary reasons for down-sizing in most firms. It is hence a challenge to organizations’ executives to analyze the human resource need under the challenging conditions and to set up the necessary activities to satisfy those needs. Management need to consider the present state and size of their organizations, the future state and size, and plan to take care of the difference.

Here, we shall discuss how management can plan to ensure it has competent and stable workforce to achieve its goals in changing environment. We shall discuss the meaning and importance of human resource planning, and the human resource planning Process, we shall also discuss the human resource dimension – recruitment and selections.

The concept of human resource planning has been viewed differently by various authors and researchers. For example, French (1986) sees human resource planning as “the process of anticipating and preparing for the movement of individual workers into, within and out of the organization”. Edwinah (2006) also views human resource planning as “assessing the human resource needs of the organization with reference to its goals and making plans to ensure that it has the competent and stable workforce it requires. It is a process by which a firm ensures that it has the right number of people who possess the proper skills at the right time to perform jobs that are useful to it”.

Jones et al (1998) defines human resource planning as; “activities involved in the forecasting of current and future human resource needs”. Similarly, Megginson (1997) views Human resource planning as; “manpower” or “human resource” as “the total knowledge, skills, creative abilities, talents and aptitudes of an organizational workforce, as well as the values, attitudes and benefits, acquired knowledge and skills represented by the talents and aptitudes of the employed persons”.

A more detailed definition by Cole (1956) states that human resource planning is a “rational approach to the effective recruitment, retention and deployment of people within an organization, including, when necessary arrangements for dismissing staff”. Effective human resource planning involves the proper analysis of an organization’s human resource needs. The activities include those aimed at reducing labour supplies (e.g. down-sizing, transfers, work-sharing, retirement, retraining, etc.).

The importance of human resource planning cannot be over-flogged. Edwinah (2006) emphasizes that the structure of an organization and design of jobs within an organization contributes immensely to its success. Having the right people on the right position at the right time is very crucial if organization must survive and achieve its objectives and goals. Human resource planning is imperative to ensure that the right people for the jobs at the right time are
made available. It enables an organization to maximally use the available human resource. Effective human resource planning avoids the existence of unstaffed vacancies in organizations. It leads to the setting up of an effective human resource planning programme, and proper coordination of human resource planning functions within the organization. Human resource planning prevents over-hiring and subsequent lay-off of newly employed staff. Effective human resource planning helps employees to make plans for career development as they know that there will be career opportunities for them in the organization.

Human resource plays a significant role in organizations as they attempt to compete. The type of employees an organization has could determine its competitive advantage (Stephen and Timothy, 2007). People bring value to an organization: in the areas of their skills, knowledge and abilities; particularly when the capabilities and contributions would not be easily emulated. Employees’ skills, knowledge and abilities are among the most special and renewable resources organizations have. It is hence imperative for organizations to plan and manage this resource efficiently. Human resource planning is necessary for organization to compete through its workers. With the aid of Human Resource Planning, an organization could cope with quickly changing forces in the external environment in the areas of market and labour demand, technological innovations and regulatory measures. Human resource planning is necessary for organization to manage internal shifts (e.g. transfers, promotions, etc.) or losses in human resources (e.g. deaths, resignations, dismissal, etc.) as well as enlargement of departments or growth of the organization. Human resource planning is necessary for an organization to retain those its financial muscle can provide for.

The Human Resource Planning Process:
Human resource planning like any other form of planning is a means to an end. It starts with organization’s overall strategic plan – strategic plan is a plan for effectively conducting business profitably and successfully (Galosy, 1983). An organization’s strategic plan establishes its specific goals. A strategic plan embraces the primary direction of an organization’s structure, process, and the interrelationship of human resources. Human resource planning is part of strategic planning process and it entails ascertaining if people are available internally or externally to carry out the strategic organization plan. Okere (2013) and Edwinah (2006) identify six steps for integrating Human resource planning with strategic business planning; and they are as follows:

- define the corporate philosophy
- forecast human resource needs
- assess human resource supply
- develop objectives and goals
- develop strategies and implement to maintain a balance.
- evaluation

Define Corporate Philosophy:
According to Edwinah (2006), Galosy (1983) the Corporate Philosophy has to do with the organization’s objectives and goals. For instance, the organization marketing and production goals represent the organization’s plan about where it will direct its goods or services and what level of activity will be required. These goals would definitely have human resource
implications: number of people that will be involved, what skills and knowledge they need, what equipment and tools would be needed, etc.

**Forecasting Human Resource Needs:**
This involves the determination of the future human resource demand of the organization. (Edwinah, 2006, Okere, 2013 and Galosy, 1983). Employment forecasting entails several considerations and techniques. The considerations involve: the need for the organization’s good and services, the labour market (i.e. supply and demand for labour), technology, legislation, competition, economy, rate of growth, nature of present workforce, employment turnover, mobilization of staff, financial resources within the reach of the organization, decision to upgrade product, management philosophy and trade union pressures. Besides are population changes, wage and salary levels, education and training opportunities.

The techniques for forecasting according to Okere (2013), Galosy (1983) and Edwinah (2006) include both statistical method and judgmental methods. Statistical methods are optimally utilized when the organization has an historic trend in the demand for labour. Statistically projections are more precise than experts’ judgments from a human forecaster that must be considered while forecasting may not have historic trend. In such circumstance, polled subjective judgments of experts and then “best guesses” could be to make inferences about the future. The methods complement each other in their advantages and disadvantages and such, some organizations use the both in one balanced approach.

The statistical techniques are: trend analysis – it entails the projection of an organization’s future need based on study of an organization’s past employment needs over a period of years.Ratio analysis – here entails finding out an organization’s future staff needs based on ratio between sales volume and number of employees. Scatter-plot – it entails using a graph to determine the relationship between two variables. Computerized forecast – it entails the identification of an organization’s future staff need by the use of computers and software packages which projects an organization’s sales, volume of production and personnel needed to maintain the volume of output. The judgmental methods are: managerial and experts’ judgement. Managerial judgement is the most often utilized.

**Assessment of Human Resource Supply:**
According to Edwinah (2006) assessment of human resources supply entails the audit of existing personnel (internal labour market) and the supply of potential employees (the external labour market). The audit of existing personnel (e.g. through computerized information system) will show the number, categories, skills, performance, flexibility and promotability of staff. From personnel records; information about retirements, redundancies, dismissals, resignations, etc. are also obtained. The audit shows three things: If supply matches the forecast of demand; if supply exceeds the requirements; if supply is less than the number required in the organization. Based on the findings, the organization develops goals to be accomplished.

**Development of Objectives or Goals:**
Goal setting and strategic planning entail concentrating on the problem to be taken care of and making a benchmark that will form a basis for assessing the outcomes. The goals are based on the analysis of the labour supply and demand and it includes a distinct figure on what timetable
as to when the expected results should be achieved. The goal in a situation where labour is surplus could be to reduce labour by about 30% within the next two years. It could also be increasing labour by 50% in the next three years to correct the labour shortages in the organization. Different activities are put in place in accomplishing each of these goals either increase or reduction in labour.

Programme Implementation and Evaluation:
According to Leigh (1985); Noe et al (2000) and Edwinah (2006) action programmes must be developed to meet the human resource goal of either reducing or increasing labour. To execute human resource plan, all managers in the entire organization should be involved. Human resource planning is a business activity that involves all divisional and departmental boundaries, the decision for either reducing or increasing labour need to be analyzed by managers so that the best choice will be executed.

The programmes selected strategically by management are put to use at the implementation stage, some individuals in the human resources department are saddled with the responsibility, authority and resources to execute the programme. The evaluation stage is the final step of the planning process. It entails examining if the organization has accomplished its goals of either increasing or reducing labour to meet its challenges. Human resource planning review activities are necessary in generating feedback information. The information helps the organization to know how well it is accomplishing its human resource plan and also indicates where changes should be effected. The human resource manager only plays a major coordinating function in the implementation and review of human resource plan.

2.1 Employee Recruitment
The strategic capability of a firm depends on its resource capability in the form of people (the resource-based view). According to Grant (1991) the organization’s most vital resources and capabilities are those which are durable, difficult to identify and understood, imperfectly transferable, not easily replicated, and in which the firm possesses clear ownership and control. These are the firm’s ‘crown jewel’ and need to be protected; and they play a pivotal role in the competitive strategy which the firm pursues. The essence of strategy formulation then, is to design a strategy that makes the most effective use of these core resources and capabilities.

The concept of employee recruitment has been viewed variously by different authors and researchers. For example, CIPD (2009) views recruitment as “the process of finding and engaging the people the organization needs”. Edwinah (2006) opines that effective Human resource planning often leads to recruitment which is one of the measures for redressing employee shortages in organizations; and however defines recruitment as ‘the process of finding qualified prospective employees and encouraging them to apply for vacant or anticipated vacant positions in the organization structure’. It is defined by Barber (1998) as “any activity carried out by an organization with the primary purpose of identifying and attracting potential employees”. Okere (2013) defines recruitment as “the discovering of potential applicant for actual or anticipated organizational vacancies. In other words, it is a linking activity, bringing together those with jobs and those seeking jobs”. Similarly, Robinson (1978) points out, “recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate
effective selection of an efficient working force”. Flippo (1980) also views recruitment both as “positive” and “negative” activity. He opines, “it is a process of searching for prospective employee and stimulating and encouraging them to apply for jobs in an organization. It is often termed positive in that it stimulates people to apply for jobs to increase the hiring ratio, that is, the number of applications for job. Selection on the other hand tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired”.

The aim of recruiting is to attract potential employees in a cost-effective and timely manner so that the organization’s demand for employees can be met. It makes available employable candidates from whom qualified candidates can be selected for job vacancies in the organization. The staffing process which involves getting the right people to occupy the right positions in the organization is one of the challenges an organization faces. The quality of the work depends on the capabilities of the people and the policies and procedures for implementing the exercise. Organizations that are capable of obtaining qualified staff who can take on increased responsibilities, are able to deal with opportunities and threats arising from their operating environments better than their competitors (Edwinah, 2006).

**Recruitment – Policies and Procedures:**
According to Edwinah (2006) recruitment policies are positive instruments put in place by management of organizations to streamline the entire recruitment and selection process to ensure consistency in the procedure of hiring and placement. Such policies include: all vacancies to be advertised internally before advertising externally. All adverts must be made with company name. Adverts for external recruitment must be made in the national dailies. All applicants must be replied whether considered or not within one month. Applicants must be informed about details of vacancy and conditions of employment. There shall be no unfair discrimination in terms of sex, race, age, religion or physical disablement. Applicants must be given fair and thorough hearing, lead-the-market- approach to pay must be indicated in the advertisement.

The importance of recruitment policies cannot be overstressed. The recruitment policies are to enable the human resource management staff to carry out the recruitment activities in the best interest of the organization. It enables the Human Resource Management staff to market the organization so that both successful and unsuccessful applicants will be good ambassadors of the organization among other things.

Some procedures are also put in place to enable the human resource management staff maintain the organization’s good image outside by reducing errors in the recruitment process. According to Edwinah (2006) well organized personnel departments use a recruitment check-list which ensures that all steps are carried out accordingly and all requirements are made available to avoid mistakes that would destroy the reputation of the organization. The checklist consists of step by step questions requesting for all that need to be done from recruitment to selection. For example, the checklist request for an up-to-date job description and job specification for the vacant post.

Galosy (1983) and Edwinah (2006) point out that recruitment is a complex and continuing process that is affected by many factors. For example, organizational factors affecting recruitment are: organizational image in the host community, relations with labour union, high or low salary and elements in the organizational culture and climate. External factors that could affect recruitment include: the condition of the labour market – the supply of labour may be high,
in which case recruitment may be restricted to a city. When the supply is low and there is high demand for labour, recruitment may be regional or national. Economic trends also influence recruitment as it determines the number of people in a profession, etc.

Based on the organization’s human resource policies and the requirements of the job to be staffed, applicants can be sourced externally and internally (Edwinah, 2006; Okere, 2013 and Galosy, 1983).

**External Recruitment:**
Internal recruitment refers to the sourcing of applicants from outside the organization (Noe, 2000). All organizations source applicants from outside, the only difference is the level at which they are brought in. Most organizations bring in new people at the entry level while other vacant positions at other level are filled from within. However, some organizations recruit from outside to fill specialized upper level positions when there are no internal recruits to draw from or when they desire new ideas and new ways of doing business (Edwinah, 2006 and Okere, 2013). Examples of external recruitment include – employee referrals, employment agencies, advertisement, educational institutions, etc.

**Internal Recruitment:**
Internal recruitment refers to the sourcing of applicants from within the organization (Noah, 2000 and Edwinah, 2006). Most organizations have policies that need their filling up top vacancies through promotions and transfers. This helps the organization to take advantage of their investment in their present employees. It affords the organization the opportunity to capitalize on the cost it has invested in recruiting, selecting and training its present employees. Promotion encourages good performance among employees and serves as a good reward to those deserving it (Edwinah, 2006).

Conversely, organizations that recruit from inside have to fight with the challenge of “inbreeding”: a situation where the personnel thinks alike. Such organization may have committed and loyal employees but may be poorly suited to innovation as no new ideas and approaches are brought in. Methods employed for internal recruiting include: computerized record system, job posting and bidding and recall of lay-offs, etc.

**2.2 Employee Selection:**
According to Edwinah (2006), in the process of setting suitable labour for the organization, recruitment comes first and is followed by selection. Recruitment attracts applicants to the organization while selection identifies the qualified candidates through interview and persuades them to join the organization.

Similarly, Grant (1991) in line with Edwinah (2006) opines that “the aim of selection is to assess the suitability of candidates by predicting the extent to which they will be able to carry out a role successfully. It involves deciding on the degree to which the characteristics of applicants in terms of their competence, experience, qualifications, education and training match the person specification. It also entails using this assessment to make a choice between candidates”.

Selection is a two-way process in which organization assesses the candidates to ascertain their suitability for the job positions and the candidates also assess the organisation if it is
suitable for them to work in. this might be the reason for not all offered jobs are honoured.

Through the process of selection managers ascertain if applicants are qualified and if they can perform. It aims at sorting out qualified applicants and assessing their potentials to do the job.

The importance of employee selection cannot be overemphasized. A careful selection process tends to produce employees that learn their jobs quickly, are productive and generally adjust to their jobs with minimum difficulty (Edwinah, 2006). Sound selection policies and procedures are important as they access to a large degree organization’s ability to survive, adapt, grow and achieve its performance.

Noe et al (2000) also point out that a good knowledge of selection and placement helps managers to reduce errors in selection and placement. The cost of poor selection could be minimized and the organization could have an edge on the competitors. Edwinah (2006) and Okere (2013) also opine that a good selection process benefits the organization and the society at large. It however requires the support and participation of all managers and supervisors though it depends on the human resource department.

Tools and Techniques for Employee Selection:
According to Edwinah (2006), the tools and techniques for sorting and appraising applicants for job positions in the organization include: background information, interview, selection tests (e.g. paper and pencil tests, physical ability tests, performance test and references).

The Relationship of the Selection Tools and Techniques:

Source: Adopted from Edwinah (2006)

Selection Process:
According to Edwinah (2006), the selection process has the following steps: setting up selection conditions for those to be short-listed normally based on the job analysis, screening of application which entails the investigation of the basic information (i.e. application letters/formal and curriculum vitae) to identify those that are qualified. Applicants with added-advantage are
also identified and short-listed while those that do not meet the minimum requirement are left out; inviting the short-listed applicants for interview. Invitation letters are sent to short-listed candidates for interview; interviewing activities here include: setting up interview panel, providing assessment forms, testing candidates and oral interview; calling for referee’s report on the appointable candidates; receiving and analyzing the referee’s reports; final selection by line managers or supervisors from the number of successful candidates and finally, sending out appointment letters to successful candidates (i.e. those who have also passed the medical examination) letters are also sent to unsuccessful candidates to stop their anxiety. The authors however states that the number of steps and sequences of selection process may vary from organization to organization and on the nature and level of the job involved.

2.3 Organizational Performance
According to the Business dictionary as cited by Letham (2016) performance is defined as “the achievement of a particular task measured against predetermined standards such as accuracy, competence, speed and cost. In business it can be seen as the accomplishment of responsibility or goal in a manner that frees the performer from all liabilities under the enterprise. Therefore, organizational performance may be viewed as the achievement of a pre-determined standard or objective”.

Similarly, Richard et al. (2009) in line with Letham (2016) define organizational performance as “the comparison of an organization’s goals and objectives with its actual performance in three distinct areas – financial performance, market performance and shareholder value”. The authors go further to explain the variables as follow: financial performance concerns a company results with regard to return on investment and return on assets. The market performance concerns organization’s ability to make and distribute their products and services in the most cost-effective manner and to set a price that brings back a reasonable amount to suppliers. Besides this, market performance may also be seen as an organization’s ability to meet the demand and expectations of consumers regarding the goods or services produced. Some organizations measure performance with regard to how great a share of the market they possess relative to their competitors, and some measure their ability to achieve social responsibility (or stewardship of the environment and responsibility to the community). Finally, shareholder value concerns the value of what individual holding shares in the organization possess. These three measures according to the authors determine whether an organization is meeting its goals.

Discussing the imperative of organizational performance, Grafin (2000) posits that organizational performance delineates the extent to which an organization is able to meet the needs of its shareholders and its own needs for survival among other things.

2.4 Quality Delivery
According to Juran (1979) quality is viewed as; “fitness for use while conformance to specification”. The quality of a product or service hinges on how fit it is for use or how it conforms to specification. Bell et al. (1994) buttress the definition and view quality to include the time and cost at which the product or service is delivered.

Emphasizing quality, Edwinah (2006) suggests that quality and productivity are two vital factors to organization; the difference between successful organizations whose products stay too
long in the warehouse might be the quality of products. The successful organizations tend to produce products and services which are fit for use, conform to specification and are made available to consumer at the time required and at an affordable price. Managers have a responsibility to ensure that all employees work toward achieving the production of quality products and services. A quality product and services ensures an organization’s market share – people stick to brands because of contained quality. Quality contributes to the organizational excellence because it ensures competitive position and customer satisfaction. Organization cannot excel if their products are below standard.

To achieve organizational performance, it is hence suggested that organisation should ensure that they improve their ability to meet customers’ demand and expectations in terms of product and service quality delivery (Richard et al., 2009).

2.5 Profitability
An organization must earn profit in order to continue and grow in business. One important way of measuring the efficiency and effectiveness of management is the amount of profit and consistency in making profit (Ayakeme et al., 2007). As the creditors (both long-term and short-term) are interested in the financial stability of an organization, in the same vein, the owners and management are interested. The management of the firm is naturally desirous to measure the operating efficiency of the organization. In the same manner, the owners invest capital in the expectation of reasonable return. The operating efficiency of an organization and its ability to ensure adequate return to its shareholders is the function of the amount of profit earned by the organization. We know that a firm who suffers loss cannot declare dividend to shareholders. Therefore, it is important to have a means of measuring the profit potentials of an organization. This is done through the computation of profitability ratios.

Profitability is a measure of efficiency. It indicates public acceptance of the products and shows that an organization can produce competitively. It should be noted that profit provides the money for repaying debts incurred to finance the projects and the resources for internal financing and expansion (Ayakeme et al., 2007).

3.0 Conclusion
Organizations continue in business and grow as they achieve their set goals and objectives. The achievement of these objectives hence becomes the function of the kind of people attracted and retained in the organization (Edwinah, 2006 and Okere, 2013).

Explaining the impact of human resource planning in terms of the kind of people attracted and retained in organization to achieve organizational performance, Grant (1991) states “the strategic capability of a firm depends on its resource capability in the shape of people (resource-based view). The author goes further to state that a firm achieves competitive advantage by attracting and retaining more capable people than its rivals and employing them more effectively. These people will have a wider and deeper range of skills and will behave in ways which will maximize their contributions. The organization attracts and retains such people as an “employer of choice” by offering a compelling ‘employee value proposition’ and employer brand’ and by providing better opportunities and rewards than others. Furthermore, the organization deploys its people in ways that maximize the added value they create.
It is important to note at this juncture that to attract and retain employee with requisite skills, potentials and capabilities to achieve organizational performance depends on proper human resource planning. Emphasizing the necessity of human resource planning in achieving organizational objectives, Bulla and Scott (1994) point out that human resource planning as a process ensures that human resource requirements of an organization are identified and plans are made for satisfying those requirements. In line with Bulla and Scott (1994), Reilly (2003) also points out that human resource planning aids organization to estimate the demand for labour and evaluates the size, nature and source of supply which will be required to meet the demand.

We therefore conclude by saying that for organization to achieve its goals and objectives – quality delivery, profitability, etc; there should be need to attract and retain employees with special gifts, abilities, knowledge and aptitudes. And this could be achieved by proper Human resource planning and implementation – employee recruitment and selection (CIPD, 2007 and Michael et al., 2001).

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