
HUMAN RESOURCE PLANNING ON ORGANIZATIONAL PERFORMANCE IN COOPERATIVES SECTOR

Narayan Prasad Aryal

Ass. Professor of Management at Saraswati Multiple Campus, Tribhuvan University, Nepal,

email – narayanprasadaryal1@gmail.com

Gobind Kumar Singh

Freelance Researcher, email - gobindsingh543@gmail.com

Article History: Received 20 July 2023; Reviewed 17 Aug. 2023; Revised 2nd Sep. 2023; Accepted 15 Sept. 2023

Abstract

The study investigates the empirical examination of human resource planning in the cooperative sector. It aims to assess the impact of forecasting manpower demand and strategic action on the overall performance of these organisations. This paper aims to provide a comprehensive analysis of the intricate relationship between human resource planning and organisational performance. The selection of firms was conducted using stratified sampling techniques within the cooperative sector. The exploratory research design was selected as the primary research paradigm to uncover and understand reality. In this quantitative study, information came from a sample of 54 cooperative employees, specifically in the areas of Kalimati, Balkhu, and Teku. A meticulously developed structured questionnaire was employed, and the resulting data were subjected to analysis utilising SPSS version 20. Data collection has been conducted using convenience sampling. The results of the study suggest a noteworthy correlation between human resource planning and organisational effectiveness. Based on the findings, it is recommended that the cooperative sector and its human resource managers should consistently conduct manpower audits and planning. This will allow them to proactively assess the demand and supply situation in the labour market before proceeding with employee recruitment.

Keywords: *Human resource planning, manpower, strategic action, organizational performance*

Introduction

In today's global landscape, there is a growing recognition that the efficient management of human resources (HR) plays a crucial role in enabling organisations to achieve and sustain a competitive edge (Govindarajan & Gupta, 2002). In light of this, organizations must ascertain the requisite number of employees and the specific categories of workers they should possess to effectively address their current and future business requirements. When an organization undertakes this function, it signifies its engagement in the process of human resource planning or workforce planning (Mansaray, 2019).

Effective human resource planning, as noted by (Nkechi, 2013), necessitates having

enough people with the right blend of skills, positioned where they're required, and available to work at the appropriate time. Consequently, human resource planning helps provide direction, reduces uncertainty, minimizes waste, and establishes benchmarks. (Elnaga & Imran, 2013) emphasize the importance of human resources in organizations, stating that employees play a crucial role in shaping the corporate image and ultimately determining the organization's success or failure. Effective human resource management facilitates managers in formulating plans and recruiting competent personnel, while also providing employees with opportunities to engage in meaningful work and pursue professional growth. When considering human resource planning, organizations must take into account various factors and criteria that are specific to the sector in which they operate. (Olonade, Omotoye, & Olalemi, 2023) stated that the financial capability of an organization, the job requirements and demand, and the supply of manpower in a specific profession are significant factors that HR managers must take into account when conducting HR planning.

Human Resource Planning (HRP) is a central aspect of Human Resource Management (HRM). It involves the strategic management of acquiring the necessary quantity and quality of skilled employees to fulfil an organization's objectives. The primary objective of Human Resource Planning (HRP) within the context of Human Resource Management (HRM) is to enhance employee competitiveness and rejuvenate existing potential for enhanced organizational performance (Takeuchi, Lepak, Wang, & Takeuchi, 2007; Mohiuddin, et al., 2022). The organization's future success is at risk due to the failure to adopt HRP.

i. What is the relationship between forecasting manpower demand, strategic action and productivity in the Cooperatives sector?

ii. To what extent do forecasting manpower demand and strategic action influence productivity at the local level in the Cooperatives sector?

Objectives of the study

The overarching aim of this study was to examine the impact of human resource planning on the overall organisational performance of an organisation. To attain this outcome, the investigation was directed by the subsequent precise aims:

i. To examine the relationship between forecasting manpower demand, strategic action and productivity in the Cooperatives sector.

ii. To ascertain the influence of forecasting manpower demand, and strategic action on productivity in the Cooperatives sector.

Hypothesis of the study

Ho₁: There is no significant relationship between forecasting manpower demand and productivity in the Cooperatives sector.

Ho₂: There is no significant relationship between strategic action and productivity in the Cooperatives sector.

Review of literature

This study is theoretically grounded in the resource-based view theory and contingency theory. The reason for this is that a majority of empirical studies have largely depended on these theories as the foundational framework for examining human resource planning and organisational performance (Boselie, Dietz, & Boon, 2005; Fleetwood, & Hesketh, 2008)

The notion of a resource-based view concerns the attainment of competitive advantage by possessing valuable and rare resources that are difficult for competitors to replicate (Takeuchi, Lapak, Wang & Takeuchi, 2007). The competitive advantage of an organisation is derived from its internal resources, particularly its human resources. This statement highlights the importance of organisations developing a valuable pool of human resources and strategically distinctively combining them to attain success at the company level (Al-Qudah, Osman, & Suberi Ab Halim, 2014).

Afzal et al. (2013) studied how human resource planning affects the productivity of an organisation. They used an empirical model of human resource planning to look at things like control and dedication to human resource management practices. They discovered that organisations that are dedicated to resource management do better than those that are in charge of human resource planning. This had a big impact on the productivity of those organisations. If human resource planning makes workers more willing to put in extra effort, those workers will be more productive (Afzal et al., 2013). Similarly, Dyer and Reeves (1995) say that better planning for human resources can change the daily work of each employee by affecting their skills, drive, and the way the company is set up. It was found in this study that planning for human resources leads to higher output, such as more sales per employee. Ayer and Reeves (1995) and Stahl et al., (2020) looked at how human resource planning affects four common areas of human resource planning: staffing, training, performance reviews, and pay. They found that human resource planning has a big effect on organisational productivity, which includes aligning with customers, making machines work efficiently, and getting the most out of employees.

Human resource planning

Organisations must possess knowledge regarding the precise number and specific characteristics of individuals required to fulfil both current and prospective business demands. Human resource planning is widely recognised as a crucial component of an effective human resource management programme (DeCenzo & Robbins, 1988). Human resource planning constitutes the fundamental essence of human resource management. The process ensures that organisations employ an optimal number of individuals possessing the appropriate talents, in suitable work positions, at the appropriate time. Human resource planning facilitates the ability of organisations to anticipate, acquire, and maintain a skilled staff, hence enabling the achievement of organisational objectives.

Forecasting manpower demand

In his study, Noe (2012) identified additional variables that have an impact on the prediction of personnel demand. These factors encompass financial limitations, staff turnover resulting from resignations, contract terminations, transfers and relocations, retirement, advancements in technology within the industry, decisions to enhance the quality of services rendered, and objectives related to the recruitment of minority individuals. The failure to accurately forecast future workforce requirements might result in managers inside organisations resorting to last-minute decision-making, which may not always be advisable. Managers need to allocate sufficient time to anticipate and project future labour requirements, since this practice contributes to cost and time savings in the long run.

Strategic action

Strategic actions refer to the human resource initiatives implemented to facilitate the attainment of an organization's objectives. Strategic planning is a methodical and innovative procedure aimed at establishing the desired future state of an organisation and devising the necessary human resource staffing operations to propel it towards that future state (Graf, Hemmasi & Strong, 1996; Bahuguna & Kumari, 2010).

Organizational Performance

Performance has emerged as an essential priority for both profit-oriented and non-profit organisations. According to Barney (2001), there exists a diversity of perspectives and opinions among scholars about the concept of organisational performance, which continues to be a subject of contention. Performance refers to the level of quality, condition, or function exhibited by a certain entity. Non-profit organisations evaluate their performance based on their ability to fulfil their missions and achieve their goals. Performance can be defined as the level of accomplishment of the organisational objectives inside the workplace, which contributes to the overall effectiveness of an employee's role. Performance is a commonly employed metric by researchers to quantify the extent of transactional efficiency and input and output efficiency.

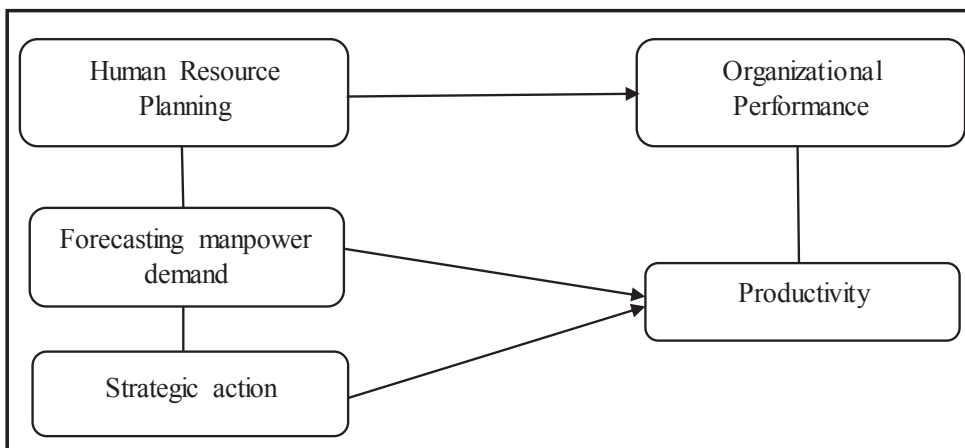


Figure 1. The research framework of the study

Source: Adopted from (Pamela, Umoh, & Worlu, 2017)

5. Research methodology

The present study is grounded in an explanatory research design. Research with an explanatory design is commonly employed in the social sciences and other scientific domains to evaluate causal theories (Shmueli, 2010). The objective of this study is to examine the impact of human resource planning on organizational performance within the cooperatives sector. The geographical focus of this research encompasses the Kathmandu Valley, specifically encompassing the three locations of Balkhu, Kalimati, and Teku. The target population encompassed all employees affiliated with cooperatives. The population was divided into strata consisting of top-level management, middle-level management, and lower-level employees.

A research instrument is any apparatus or technique that is utilised in the process of data or information collection for a research investigation. According to the findings of Shrestha et al. (2021), there are a variety of distinct methods that can be utilised in research, including questionnaires, observations, and interviews. A structured questionnaire has been developed to gather primary data. The construct employed the 5-point Likert scale, with a rating range from 1 (strongly disagree) to 5 (strongly agree). Various software applications are utilised for data analysis, including Microsoft Excel and SPSS (version 20).

The study utilised a non-probability sampling method as a result of the absence of a defined group of participants. Convenience sampling is utilised in the research study as participants are selected based on their ease of access and availability. The study employed a sample size of 54 people.

8. Results

The impact of human resource planning on employee performance in the cooperatives sector is evaluated with the assistance of several different statistical tools and methods. To explore outcomes and findings, both descriptive analysis and inferential analysis are utilised.

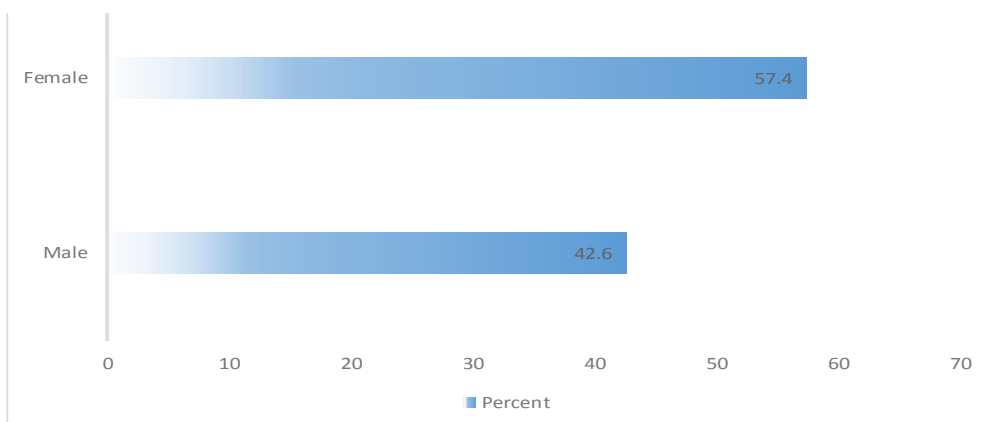


Figure 2. Gender of respondents

Source: Field survey

As evident from the table above, the majority, the highest per cent of participants in terms of sex were female representing 57.40 per cent of the respondents, whereas, 42.60 per cent of the respondents were represented by male. The frequency of participants was 31 females and 23 males in this study.

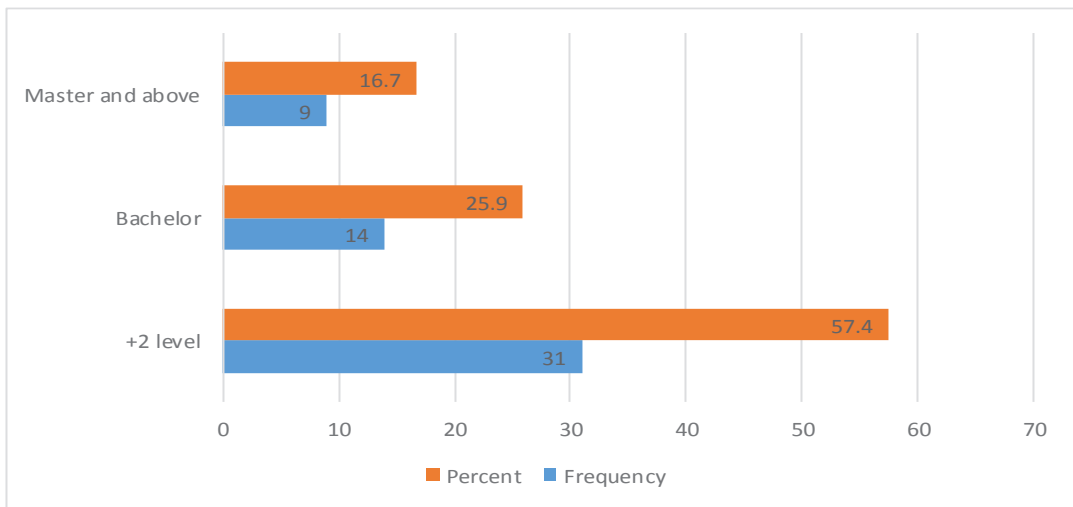


Figure 4. Educational level

Source: Field survey

The table exhibits the respondents' profiles, categorised by strata of education level. Among the 54 participants, 31 employees were enrolled at the plus 2 level, while 14 employees were pursuing a bachelor's degree. The remaining 9 respondents were pursuing a master's degree or higher. According to the data shown in Table 4, the education level with the biggest percentage of participants was the plus 2 level, accounting for 57.40 percent. The bachelor level represented 25.90 percent, while the remaining 16.70 percent of respondents were from the master's level and above. In the sample, the number of students from the plus 2 level exceeded the number of students from the bachelor and master and above levels.

Table 5

Relationship between variables for all samples

Variables		Forecasting manpower demand	Strategic action	Organizational performance
Forecasting manpower demand	Pearson Correlation	1		
	Sig. (2-tailed)			

Strategic action	Pearson Correlation	0.138**	1	
	Sig. (2-tailed)	(0.001)		
Organizational performance	Pearson Correlation	0.167**	.632**	1
	Sig. (2-tailed)	(0.001)	0.001	

** Correlation is significant at the 0.01 level (2-tailed). The value in parenthesis is the p-value.

Table 5 summarises the correlation analysis performed on the entire sample in the investigation. As shown in the table, the correlation between organisational performance and forecasting manpower demand is positive and significant (as the P value is less than 0.01), with a correlation coefficient of 0.167 and a level of confidence of 99 percent. Similarly, the table depicts a positive and significant relationship between organisational performance and strategic action with a correlation coefficient of 0.632 and a level of confidence of 99 percent, indicating that both forecasting manpower demand and strategic action have a positive effect on organisational performance in the cooperative sector. In conclusion, the correlation analysis of the current study indicates that both independent variables, namely forecasting manpower demand and strategic action, have a positive and significant relationship with cooperative sector organisational performance. The frequency of participants was 31 females and 23 males in this study.

Table 6

Multiple regression analysis

Multiple linear regression (MLR), also referred to as multiple regression, is a widely used statistical method that employs multiple explanatory variables to forecast the outcome of a response variable. Multiple linear regression is a powerful tool used to capture and analyse the linear relationship between explanatory variables and response variables. By employing this technique, we can effectively model and understand the intricate connections between these variables. Multiple regression can be seen as an expansion of ordinary least-squares (OLS) regression, as it incorporates multiple explanatory variables into the analysis.

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637 ^a	0.406	0.383	0.49171

a Predictors: (Constant) Forecasting manpower demand, Strategic action

The result in Table shows that the dependent variable has a strong relationship with the independent variables because the multiple regression r-square value is 0.406. This implies that 40.6 percent of the variance in organizational performance is explained by independent variables whereas the remaining 59.6 percent is explained by other variables that are not in the regression model.

ANOVA for regression analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.439	2	4.219	17.452	.0001
	Residual	12.331	51	0.242		
	Total	20.77	53			

a Dependent Variable: Organizational performance

b Predictors: (Constant), Forecasting manpower demand, Strategic action

From the above table, the linear regression equation records p-values less than 0.01 and this implies that the independent variables are significant in assessing the factors influencing human resource planning on employee performance in cooperative sectors.

Coefficient of independent variables

Coefficients ^a	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.928	0.259		3.588	0.004
Forecasting manpower demand	0.589	0.043	0.686	13.669	0.01
Strategic action	0.620	0.04	0.11	1.531	0.028

a Dependent Variable: Organizational performance

From the above table, using the beta coefficient of the independent variables, the model is Organizational performance = 0.928 + 0.589 forecasting manpower demand + 0.0620 strategic action.

Therefore, under the condition of controlling for all independent variables, it is observed that the organisational performance can experience a 9.28 percent increase without the influence of other variables. When all independent variables are held constant, a one-unit change in the forecasted manpower demand is associated with a 58.90 percent increase in organisational performance. Similarly, a one-unit increase in the firm's image is associated with a 32.20 percent increase in investment decisions. Lastly, a one-unit increase in strategic action is associated with a 62.00 percent increase in organisational performance.

The regression result in Table 4 shows that at a significant level ($p < 0.05$), forecasting manpower demand ($\beta = 0.589$, $p = 0.004$), and strategic action ($\beta = 0.062$, $p = 0.028$) significantly affect organizational performance at a confidence level of 95 per cent ($p < 0.05$).

9. Findings and Discussion

The primary aim of this study is to elucidate the various factors that influence the performance of employees in a cooperative sector. The objective of this study is to investigate the correlation and influence between the independent variables of forecasting manpower

need and strategic action, and the dependent variable of organisational performance. Various quantitative statistical tools and techniques are employed to assess the impact of human resource planning on employee performance. These include descriptive, correlational, and causal study designs.

In order to achieve the intended objective, a systematic collection and analysis of primary data were conducted to extract valuable insights from them. The data was gathered with a meticulously designed questionnaire and afterwards subjected to statistical analysis, employing measures such as mean, median, mode, standard deviation, variance, correlation, and regression. The primary outcomes of the investigation, as determined by the examination and interpretation of the collected data, are outlined as follows:

The relationship between organisational performance and forecasting manpower demand is positive and significant (as the P value is less than 0.01), with a correlation coefficient of 0.167 and a level of confidence of 99 percent. Similarly, the table depicts a positive and significant relationship between organisational performance and strategic action with a correlation coefficient of 0.632 and a level of confidence of 99 percent, indicating that both forecasting manpower demand and strategic action have a positive effect on organisational performance in the cooperative sector.

The linear regression equation records p-values less than 0.01 ($p = 0.0002$) and this implies that the independent variables are significant in assessing the factors influencing human resource planning on employee performance in cooperative sectors. The impact of forecasting manpower demand is found to be positive and significant at a 99 percent confidence level i.e. increase in forecasting manpower demand leads to an increase in the performance of employees in cooperatives. Also, the impact of strategic action is found to be positive and significant at a 99 percent confidence level i.e. increase in strategic action leads to an increase in the performance of employees in cooperatives.

According to Mursi (2003), there exists a notable and favourable correlation between human resource planning and organisational performance. Human resource planning and organisational success are positively correlated, according to Hiti (2000). Numerous empirical studies have posited a correlation between human resource management practices and organisational performance. There is a growing body of work on human resource practices and organizational performance which shows the linkage between human resource practices and organizational performance.

10. Conclusion

In conclusion, planning for human resources has a significant impact on the performance of an organisation, particularly in terms of projecting the future needs of business and environmental factors, both of which help manage the demand for human resources appropriately. The success of an organisation can be aided in its pursuit of this goal by ensuring that it possesses both the needed number and the required qualification level of individuals. In particular, the use of human resource planning has led to increases in employee productivity, machine efficiency, customer alignment and contentment, as well as

quality and quantity of service.

Based on the analyses conducted, it can be concluded that there is a significant correlation between human resource planning and the organisational performance of the cooperative sector in the Kalimati, Balku, and Teku regions. The research findings led to the following precise conclusions: The accurate forecasting of personnel requirements has a notable impact on enhancing customer satisfaction and productivity within the cooperative sector, specifically in the regions of Kalimati, Balkhu, and Teku. Furthermore, the implementation of strategic action significantly impacts customer satisfaction and productivity levels within the cooperative sector.

11. Implications and future research direction

The policy should be modified to ensure that organisations develop optimal organisational structures that benefit all employees within the cooperative sector. The attainment of this objective would be facilitated through the establishment of alliances and collaborations among the diverse organisations within the various sectors, with the aim of ensuring a certain degree of consistency in the human resource planning process. This practice has demonstrated success across various industries, including transportation, manufacturing, and construction. The subsequent sections outline the potential implications of this research for forthcoming investigations:

Increasing the quantity of responses may be of paramount importance. There exists the potential to enhance the independent variables that influence human resource planning.

The collection of primary data serves as the fundamental basis for conducting the research. Hence, it is plausible that the study was formulated taking into consideration the constraints associated with primary data. The utilisation of secondary sources of data pertaining to a specific variable enables the possibility of conducting further research.

References

- Afzal F., Mahmood K., Sherazi S.M.R. Sajid M. & Hassan M. (2013) Effect of human resource planning on organizational performance of telecom sector. *Information and Knowledge Management*. 3(2), 2224-5758.
- Al-Qudah, K. M., Osman, A., & Suberi Ab Halim, M. (2014). The effect of human resources planning and training and development on organizational performance in the government sector in Jordan.
- Bahuguna, P. C., & Kumari, P. (2010). Strategic Human Resource Management & Organizational Performance. In *Pervasive Computing for Business: Trends and Applications* (pp. 150-165). IGI Global.
- Barney, J. B. (2001). Is the resource-based “view” a useful perspective for strategic management research? Yes. *Academy of management review*, 26(1), 41-56.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management Journal*, 15(3), 67- 94.
- De cenzo, D. & Robbins, S.P. (1988). Personnel/Human Resource Management, Prentice Hall, New Jersey,

456p.

- Dyer, L., & Reeves, T. (1995). Human resource strategies and firm performance: what do we know and where do we need to go? *International Journal of human resource management*, 6(3), 656-670.
- Elnaga, A., & Imran, A. (2013). The effect of training on employee performance. *European Journal of Business and Management*, 5(4), 1-11.
- Fleetwood, J., & Hesketh, A. (2008). *The performance of human resource: Towards a new Meta theory*. Cambridge University Press.
- Govindarajan, V., & Gupta, A. (2002). Building an effective global business team. *IEEE Engineering Management Review*, 30(2), 28 - 28. doi:10.1109/EMR.2002.1022419
- Graf, L., Hemmasi, M., & Strong, K. C. (1996). Strategic analysis for resource allocation decisions in health care organizations. *Journal of Managerial Issues*, 92-107.
- Hiti, K.A. (2000). *Human Resource Management: A Strategic entrance, Oman*: Dar Hamid Library.
- Mansaray, E. H. (2019). The consequence of human resource planning on organizational performance: an ephemeral review. *Britain International of Humanities and Social Sciences*, 1(2), 50-61. doi:https://doi.org/10.33258/biohs.v1i2.35.
- Mohiuddin, M., Hosseini, E., Faradonbeh, S. B., & Sabokro, M. (2022). Achieving human resource management sustainability in universities. *International Journal of Environmental Research and Public Health*, 19(2), 928.
- Mursi, J. (2003). The strategic management of human resources: The entrance to achieve Competitive advantage to joining the twenty-first century. *Alexandria: University House*.
- Nkechi, A. (2013). Human resource planning and employee productivity in Nigeria public organization. *Global Journal of Human Resource Management*, 1(4), 56-68.
- Noe, R.A. (2012). *Human Resource Management: Gaining a Competitive Advantage* New York, NY: McGraw-Hill.
- Olonade, Z., Omotoye, O., & Olalemi, O. (2023). Workforce planning and organizational effectiveness: perspective from Osun state civil servant. *RUDN Journal of Public Administration*, 10(2), 286–298.
- Pamela, A. C., Umoh, G., & Worlu, G. (2017). Human resource planning and organizational performance in oil and gas firms in Port Harcourt. *International Journal of Advanced Academic Research*, 3(9), 110-129.
- Shmueli, G. (2010). To explain or to predict? *Statistical science*, 25(3), 289-310. https://doi.org/10.1214/10-sts330.
- Shrestha, E., Devkota, N., Paudel, U. R., & Parajuli, S. (2021). Post-merger employee satisfaction in commercial banks of Nepal: Findings from employee satisfaction index. *Journal of Business and Social Sciences Research*, 6(1), 45–62. https://doi.org/10.3126/jbssr.v6i1.38128.
- Stahl, G. K., Brewster, C. J., Collings, D. G., & Hajro, A. (2020). Enhancing the role of human resource management in corporate sustainability and social responsibility: A multi-stakeholder, multidimensional approach to HRM. *Human Resource Management Review*, 30(3), 100708.
- Takeuchi, R., Lepak, D. P., Wang, H., & Takeuchi, K. (2007). An empirical examination of the mechanisms mediating between high performance work systems and the performance of Japanese organizations. *Journal of Applied Psychology*, 92(4), 1069 –1083.