

An Investigation into the Influence on HR Planning on Organisational Effectiveness with Respect TOIT Firms in Chennai

Dr. A. Shameem*, Professor in AMET Business School, Chennai.

Dr. J. Rengamani, Professor in AMET Business School, Chennai.

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Abstract:

With the human resources being accepted as the most valuable asset of any organisation, in spite of it having a complex nature due to varying personalities and characteristics of individuals. It is only through human asset that any organisation would be able to achieve its goals. Human asset in the case of IT firms is in constant demand and can be no means be replaced by people who are in constant demand, but, cannot be easily replaced by technology or moved around like other assets of the organisation. The objective of this study is to identify the influence of human resources planning on employee commitment, know the influence of or employee commitment on organisational effectiveness and to find out significant differences between demographic variables on employee commitment. The study is descriptive in nature and has been carried out in the IT sector among middle managerial level HR Professionals. The results of the study prove that in order to ensure effective human resource planning there would be a need to strike the right balance between effective employees on one hand and effective service on the other.

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1. INTRODUCTION

Talented human resources are always in demand especially in the IT sector. It is a known fact the success of an IT firm very much depends upon the human asset and its commitment. In the light of the above organizations world over have started focusing attention on human resource planning with the objective of making sure there is a systematic approach in bringing in the right talent so as the organisation is able to have the right talent in the right position at the right time on account of which the organisation would be immensely benefited. Like many other parts of the world, organisations, as pointed out by Schein (1976) the process would however become more complex and more vulnerable to human errors depending upon the type of

organisation. On account of such human errors they could fail to employ people with the skills and knowledge required by the organisation. This would have a lot of negative impact on the performance of the employees on account of lower levels of motivation, higher attrition rates, reduced poor productivity, interruptions on account of bad work along with higher levels of interpersonal conflicts. The above thus necessitates the need to have in place an effective human resources planning system in place which has been systematically and meticulously worked out.

2. STATEMENT OF THE PROBLEM

With the human resources being accepted as the most valuable asset of any organisation, in spite of it

having a complex nature due to varying personalities and characteristics of individuals. It is only through human asset that any organisation would be able to achieve the goals set by it. Human asset in case of IT organisations is constant demand and cannot be easily replicated with technology or like other assets owned by the organisation. Rapid advancements in the information technology sector also drives organisations to make sure that they have the right class of employees with the objective of making sure that the organisation has the right type of people in the right job at the right time which goes without saying has to be done in the shortest possible time. This being said, organisations today are working on confronting the challenges associated with human resources planning especially in the IT sector where rates of attrition are known to be rather higher than the other sectors of the economy. With this problem being confronted by the information in mind, this study is being undertaken to evaluate the influence of HR planning on employee commitment leading in turn to organisational effectiveness in the sector.

3. REVIEW OF LITERATURE

Edwards and Pearce (1988) are of the opinion the human resource planning is most relevant and required by industries which experience rapid-growth by employing high levels of technology such as the information technology sector. In case of businesses that have matured the need for the same arises when they are contemplating introduction of new products or services or have an ambition plan of going in for mergers and acquisitions.

Craft (1980) is of the opinion that human resource planning plays a vital role in influencing and identifying the characteristics of prospective applicants such that the organisations is able to select the best candidate thereby ensuring best fit between the organisation and its employees.

Noe et al (2003) have further explored on the need and importance of systematically implementing the human resource planning having the right talent employed such that it creates the lead time necessary

to identify and bring in the right potential candidates at the right time.

4. OBJECTIVES OF THE STUDY

- To identify the influence of human resources planning on employee commitment
- To know the influence of or employee commitment on organisational effectiveness
- To find out significant differences between demographic variables on employee commitment

5. METHODOLOGY

The research design is descriptive in nature and is empirical in nature. The tool used for data collection is a structured questionnaire which has been tested for reliability by calculating the Cronbach's Alpha which is indicated in the table given below. The sample included employees of IT companies and the sampling technique is convenience sampling by contacting middle managerial level HR Professionals.

6. RESULTS AND DISCUSSIONS

Table 1 : Cronbach's Alpha Coefficient

Constructs	Alpha Coeff,
Organisational Leadership	0.799
Organisational Status	0.786
Measurement, Accountability and Feedback Systems	0.843
Organisational Learning and Buy – In	0.809
Organisation Competency Models	0.801
Human Resource Capacities & Capabilities	0.824
Employee Commitment	0.821
Organisational Effectiveness	0.799

Since all the constructs have a alpha coefficient of more than 0.70 the reliability is taken to be within the acceptable limit.

Table 2 : Mean and SD for the Constructs

Constructs of HR Planning	Mean	SD
Organisational Leadership	4.66	1.130
Organisational Status	3.69	1.119

Measurement, Accountability and Feedback Systems	4.73	0.880
Organisational Learning and Buy – In	3.77	1.235
Organisation Competency Models	4.06	0.984
Human Resource Capacities and Capabilities	3.81	1.011
Employee Commitment	3.27	0.989
Organisational Effectiveness	3.52	1.141

The mean and standard deviation of the various constructs relating to HR Planning are as given above. It can be seen that the highest mean score is obtained by the construct measurement, accountability and feedback systems, (4.73) followed by organisational leadership (4.66), and organisation competency models (4.06). Constructs such as human resource capacities and capabilities has a mean score of 3.81, followed by organisational learning and buy-in (3.77) and organisational status (3.69). The least scores are obtained by constructs such as organisational effectiveness (3.52) and employee commitment (3.27).

Table 3 : Friedman Test For Significant Difference Among Mean Ranks of Constructs of Human Resource Planning

Factors Affecting Human Resource Planning	Mean Rank	Chi-Square value	P value
Organisational Leadership	4.66	29.43	<0.001 **
Organisational Status	3.69		
Measurement, Accountability and Feedback Systems	4.73		
Organisational Learning and Buy – In	3.77		
Organisation Competency Models	4.06		
Human Resource Capacities and Capabilities	3.81		

Note: ** Denotes significant at 1% level

The chi square value at 29.43 has a P value of 0.001 which is less than 0.01. Hence it can be concluded that significant difference exists in ranks

for the factors of human resource planning which include measurement, accountability and feedback systems (4.73), organisational leadership (4.66), organisational competency models (4.06), human resource capacities and capabilities (3.81), organisational learning and buy-in (3.77) and organisational status (3.69).

It can be seen that measurement, accountability and feedback systems is ranked the highest followed by organisational leadership, organisational competency models, human resource capacities and capabilities, organisational learning and buy-in and organisational status. Thus it can be taken that measurement, accountability and feedback systems is ranked the highest followed by organisational leadership are of utmost importance for employee commitment.

Table 4 : Friedman Test For Significant Difference Among Mean Ranks of Constructs Affecting Employee Commitment

Constructs Affecting Employee Commitment	Mean Rank	Chi Square value	P value
Employees are committed as and wish to work with it till the end.	6.93	37.45	<0.001 **
Employees are committed and hence project positive impression of company to outsiders	6.29		
Employee commitment makes them accept organisation problems as their own personal problems.	6.66		
Employee commitment makes them get easily attached to any company	8.17		
Employee commitment makes them get emotionally attached to their organisation.	6.38		
Employee commitment provides a high personal meaning for employees.	7.95		
Employee commitment makes them exert extra efforts in order ensure success of	7.81		

organisation..			
Employee commitment makes it very hard for them to quit their job.	6.27		
Employee commitment makes them accept any type of work assigned.	5.91		
Employee commitment makes them believe job hopping is unethical.	5.24		
Employees continue with their present organisation in order to avoid disruption in life.	8.70		
Employees continue to work with their organisation as they have a sense of obligation.	6.23		
Employees are committed as they have already given their best o their organisation	8.47		

The chi square value at 37.45 has a P value of .001 which is less than .01. Hence proved that there is significant difference in ranks for organisational commitment as follows. employees are committed as and wish to work with it till the end (6.93), employees are committed and hence project positive impression of company to outsiders (6.29), employee commitment makes them accept organisation problems as their own personal problems (6.66), employee commitment makes them get easily attached to any company (8.17), employee commitment makes them get emotionally attached to their organisation (6.38), employee commitment provides a high personal meaning for employees (7.95), employee commitment makes them exert extra efforts in order ensure success of organisation (7.81), employee commitment makes it very hard for them to quit their job (6.27), employee commitment makes them accept any type of work assigned (5.91), employee commitment makes them believe job hopping is unethical (5.24), Employees continue with their present organisation in order to avoid disruption in life (8.70), employees continue to work with their organisation as they have a sense of obligation (6.23) and employees are committed as they have already given their best o their organisation (8.47).

It can be seen that too much in their life would be disrupted if I decide to leave their organisation now is ranked the highest followed by if they had not already put so much of themselves into their organisation, they might consider working elsewhere, they think that they could easily become as attached to another organisation as they are to this one, their organisation has a great deal of personal meaning for them and they are willing to put in effort beyond that normally expected in order to help their organisation be successful. Thus it can be taken that if they had not already put so much of themselves into their organisation, they might consider working elsewhere and they think that they could easily become as attached to another organisation as they are to their present one are of utmost importance for organisational commitment.

Table 5 : Friedman Test For Significant Difference Among Mean Ranks of Constructs Affecting Organisational Effectiveness

Constructs Affecting Organisational Effectiveness	Mean Rank	Chi-Square value	P value
Alignment of strategies to meet financial goals is consistent with overall goals.	5.92	30.55	<0.001**
Focuses on employees helps in satisfying customer expectations.	6.44		
Engaging right type of human resources helps in achieving organisational goals.	6.56		
Building leadership capacity for now and the future would ensure organisational effectiveness.	6.29		
Regular review of productivity and culture would improve organisational effectiveness.	5.64		
Having a culture of collaboration, resiliency, and adaptation to change would improve organisational effectiveness.	4.88		
Encouraging and nurturing	7.09		

innovative thinking and behaviour would lead to organisational effectiveness.			
Focusing on innovation would lead to overall business success.	6.34		
Having in place systems and structures that support people would lead to organisational effectiveness.	7.76		
Shares vital business knowledge across the organisation and functions would lead to organisational effectiveness.	7.10		
Shares vial business knowledge across organisation and functions would lead to organisational effectiveness.	6.93		
Emphasis on development of people results in organisational effectiveness.	7.04		

The chi square value at 30.555 has a P value of .001 which is less than .01. The null hypothesis is therefore rejected at 1% level of significance. There is significant difference in ranks for constructs affecting organisational effectiveness. Organisational commitment as follows. Having in place systems and structures that support people would lead to organisational effectiveness has a mean rank of 7.76 followed by shares vital business knowledge across the organisation and functions would lead to organisational effectiveness with a mean rank of 7.10, encouraging and nurturing innovative thinking and behaviour would lead to organisational effectiveness with a mean rank of 7.09, emphasis on development of people results in organisational effectiveness with a mean rank of 7.04, shares vial business knowledge across organisation and functions would lead to organisational effectiveness with a mean rank of 6.93, engaging right type of human resources helps in achieving organisational goals with a mean rank of 6.56. The lowest mean rank is scored by statements such as Alignment of strategies to meet financial goals is consistent with overall goals with a

mean rank of 5.92 and regular review of productivity and culture would improve organisational effectiveness with a mean rank of 5.64.

Table 6 : Correlation Coefficient for the constructs of HR Planning versus organisational Commitment

Constructs of HR Planning	Organisational Commitment
Organisational Leadership	0.661**
Organisational Status	0.722**
Measurement, Accountability and Feedback Systems	0.723**
Organisational Learning and Buy – In	0.714**
Organisation Competency Models	0.749**
Human Resource Capacities and Capabilities	0.699**

Note:** Denotes that correlation is significant at the 0.01 level (2-tailed).

The Correlation Coefficient between organisational leadership and organisational commitment is 0.661, which indicates 66.1% positive relationships between organisational leadership organisational commitment and is significant at percentage level.

The Correlation Coefficient between organisational status and organisational commitment is 0.722, which indicates 72.2% positive relationships between organisational status and organisational commitment and is significant at percentage level.

The Correlation Coefficient between measurement, accountability and feedback systems and organisational commitment is 0.723, which indicates 62.3% positive relationships between measurement, accountability and feedback systems and organisational commitment and is significant at percentage level.

The Correlation Coefficient between organisational learning and buy – in and organisational commitment is 0.714, which indicates 71.4% posit positive relationships between learning

and buy – in and organisational commitment and is significant at percentage level.

The Correlation Coefficient between organisation competency models and organisational commitment is 0.749, which indicates 74.9% positive relationships between organisation competency models and organisational commitment and is significant at percentage level.

The Correlation Coefficient between human resource capacities and capabilities and organisational commitment is 0.699, which indicates 69.9% positive relationships between human resource capacities and capabilities and organisational commitment and is significant at percentage level.

7. CONCLUSION

In order to ensure effective human resource planning there would be a need to strike the right balance between effective employees on one hand and effective service on the other. It cannot be denied that there are some very significant and positive relationship between HR planning and organisational effectiveness. HR planning when used in the true sense could thus prove to be extremely useful to any organisation as it is assured of having the right talent brought in at the right time.

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