

## Organizational Effectiveness and Efficiency through Manpower Planning and Development: A Study on Selected Service and Manufacturing Organizations of Bangladesh

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*In the recent competitive business era of globalization it is truly tough to acquire the organizational effectiveness and efficiency without proper manpower planning and development practices. Manpower plays the dual role in operations, first, itself is an operative force and second, it makes the other forces operative and has a significant role in achieving the organizational effectiveness and efficiency. This study provides current and comprehensive information about manpower planning and development of some selected manufacturing and service organizations of Bangladesh and examines its impact on organizational effectiveness and efficiency. The research has been conducted based on a sample of 384 top and mid level employees of 10 manufacturing and 10 service organizations during the period of January to September 2012. The research findings show that there is a significant impact of formal manpower planning and development practices on the organizational effectiveness and efficiency. The researchers' observation also shows that the larger firms are more likely to follow the formal manpower practices. The result presented in this study suggests organizations that they should formulate the formal manpower planning for achieving organizational effectiveness and efficiency.*

**Field of Research:** Human Resource Management

### 1. Introduction

Manpower planning and development is an essential element in managing human resources within the diversified nature of recent competitive business era of globalization. Setting of large scale enterprises requires management of large scale manpower. Formal manpower planning and development will bring higher productivity and will ultimately increase organization's effectiveness and efficiency. Manpower department of an organization studies the staffing levels across all functional departments in the organization. Through this exercise they are able to ascertain whether departments are overstaffed or understaffed. With adequate manpower planning the organization is ideally staffed under all circumstances. When departments are understaffed, the organizations' actual capacities and capabilities do not come to the force. When the organization is overstaffed, the employees always

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remain underutilized. The main motive for manpower planning is to maintain the most appropriate staffing levels across all departments of the organization. It is assumed that the selected factors have significant influence on organizational effectiveness and efficiency. The research is different from previous studies because the researchers have correlated the manpower planning with organizational effectiveness and efficiency in both manufacturing and service organizations.

### **1.1 Significance of the Study**

The formulation and execution of manpower planning and policy is widespread throughout the world, especially in the developed countries. The third world countries like Bangladesh which are trying to develop and cope up with the globalized competitive business world, manpower planning and policy is very necessary for them to ensure the organizational effectiveness and efficiency. The research survey explores that the organizations are reluctant to formulate and execute the manpower planning and policy, whereas they have an immense opportunity to add value through ensuring the core human resource management function in the organizational effectiveness and efficiency.

Although manpower planning and policy have been important research topic for more than the decades, hardly any research has been conducted that focuses specifically on manpower planning and policy and its impact on organizational effectiveness and efficiency. That is why the researchers are interested to work on this issue. The research outcome will help to understand about the present state and also the significance of the issue in Bangladesh.

### **1.2 Objectives**

The broad objective of this study is to identify the relationship between manpower planning and development and the organizational effectiveness and efficiency in both the manufacturing and service organizations in Bangladesh.

The specific objectives of this study are as follows:

- To identify whether the organizations formulate and execute the manpower planning.
- To identify the relationship between formulation and implementation of manpower planning with the organizational effectiveness and efficiency.
- To identify the cause(s) leading towards failure in manpower planning and development and providing the necessary suggestions to overcome the failure.

The research paper starts with talk about the significance and objectives of the study. Then the pertinent and so far up to date literature is reviewed to identify the gap between previous studies and existing study. After that research methodology and research design are discussed. Then based on the objectives, analysis and findings are discussed. Finally, to draw the conclusion and provide necessary recommendations the concluding remarks are elucidated.

### 2. Literature Review

In simple words, Manpower planning is understood as the process of forecasting an organization's future demand for, and supply of, the right type of people in the right number. It is a subsystem in the total organizational planning which includes managerial activities that set the company's objectives for the future and determine the appropriate means for achieving those objectives. (Terry and Michael, 1990)

Manpower planning is the process by which an organization ensures that it has the right number and kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. It translates the organization's objectives and plans into the number of workers needed to meet those objectives. (David and Stephen, 1989)

Manpower development is a process that seeks to optimize an organization's usage of its human resources. It requires an integrated approach that addresses multidimensional aspects of employees, ranging from enhancing technical and interpersonal skills to creative thinking and leadership. Organizations with high productivity levels have made manpower development an integral part of their business culture. ([http://www.ehow.com/about\\_5639774\\_meaning-manpower-development\\_.html](http://www.ehow.com/about_5639774_meaning-manpower-development_.html))

Linking manpower planning to business planning interprets these plans in terms of people requirement. However, it may influence the business strategy by drawing attention to ways in which people could be developed and deployed more effectively to enhance the achievement of business goals as well as focusing on problems that might have to be resolved to ensure that the people required will be available and will be capable of making the necessary contributions (Armstrong, 2009).

In terms of forecasting, Taylor (2008) notes that employers quite simply prefer to wait until their view of the future environment clears sufficiently for them to see the whole picture before committing resources in preparation for its survival. The perception is that the more complex and turbulent the environment, the more important it is to wait and see before acting.

However, Farnham (2006) departed from Taylor on theory and practice. Farnham (2006) explains that manpower planning is important because it encourages employers to develop clear and explicit links between their business and human resources plans, and to integrate the two more effectively. It allows for better control over staffing costs and numbers employed and it enables employers to make more informed judgment about the skills and attitude mix in organizations. He expresses displeasure that organizations give little time to it because of lack of resources and skills, time and effort required and absence of relevant data to do so.

Brian (2006) notes that a well integrated business plan seeks to address varying important issues. Guided by the business plan, the manpower planners will have a well designed and sound sourcing demand program for different dates in future which then can be compared with the rough supply programmes by striking a balance.

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Manpower Planning has been argued to be a broad-level concept that deals with the entire workforce, ensuring that the organizations have adequate and required sizeable number of workforce with the required skills and should be timely. Manpower Planning forecasts the requirements of workforce and plans for the acquisition, retention and effective utilization of employees, which ensure that the needs of company for people are met (Armstrong, 2006; Kingir and Mesci, 2010).

Rao (2010) describe that the human resource manager make decision with regard to whom to employ internally, whom to employ externally and the type of employment relationship to be maintained. HR has to also ensure fit and flexibility of the human resource architecture. Aligning between strategic planning and programs, policies and practices of HR is vital and need to achieve two types of fit External and internal fit. The external fit refers to bringing alignment between the business objectives and major HR practices. Growth strategy to be aligns recruiting people with creative and innovative skill, providing freedom to them and investing on training for developing such skills. Internal fit brings alignment among various HR policies and practices in order to establish configuration that is mutually reinforcing. Efficiency and creativity come from integrated effort of job design, HR policies, recruitment policies and selection, training and development, performance management etc.

Determining future business requirements, especially those relating to manpower requirements, represents one of the most challenging tasks facing human resource practitioners (Bhattacharya, 2006). According to (Senge, 2006) to some extent this has been prompted by the need to develop employment equity and workplace skills plans and set numerical employment equity targets.

According to Richard et al. (2009) organizational effectiveness captures organizational performance plus the myriad internal performance outcomes normally associated with more efficient or effective operations and other external measures that relate to considerations that are broader than those simply associated with economic valuation (either by shareholders, managers, or customers), such as corporate social responsibility.

A business organization is an economic entity and its survival and success are contingent on either in producing goods or providing services. In this way, for the accomplishment of organizational goals and objectives the effectiveness and efficiency must be observed. At this stage, efficiency indicates fewer inputs (resources) or producing more outputs as compared to a similar process that achieves the objectives, while effectiveness is of great importance indicating if it is worth doing in the first place or if it has the same effect as has been expected. If a business does not achieve what is needed then the efforts are ineffectual. What in general the term effectiveness indicates is the capacity to produce effect while efficiency means using resources in a way to maximize the output - production of goods or services. (<http://en.wikipedia.org/wiki/Efficiency>)

Organizational efficiency essentially denotes how well a company uses money i.e. organizational efficiency can be described as an organization that is productive without waste. A quote from Drucker's book, *The Effective Executive* says that, "Efficiency is doing things right, effectiveness is doing the right things".

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What factors most influence company performance? In the latter half of the twentieth century, a litany in many companies has been 'our employees are our most valuable resource'. This rhetoric has been so often repeated that it is now a cliché. Despite this, many small and medium sized enterprises still neglect to invest resources, time and creativity in the management of people within organizations (West, Lawthom, Patterson and Staniforth, 1996).

Although, there are differences across commentators as to what constitutes 'good' HRM practices, many writers (Bailey, 1993; Guest, 1997; Huselid, 1995) have argued that HRM practices can improve company performance by: increasing employee skills and abilities; promoting positive attitudes and increasing motivation; providing employees with expanded responsibilities so that they can make full use of their skills and abilities.

Defining the performance construct necessarily entails a discussion of both effectiveness and efficiency simultaneously. Here effectiveness means the achievement of objectives. It is clearly a goal oriented measure (as opposed to a natural systems measure) (Perrow, 1968). Efficiency refers to rates of resource usage in achieving objectives. To balance these two dimensions requires an examination of assumptions regarding the objectives of the organization in order to make a meaningful assessment of achievement.

There is now a considerable body of work proposing that high quality people management can provide firms with a source of competitive advantage that it is difficult for competitors to imitate. It is the management of human capital, rather than physical capital that is seen as the most important determinant of company performance. Indeed, some studies in the United States have demonstrated a relationship between HRM and performance (eg Huselid, 1995; MacDuffie, 1995).

Referring to statement by *Peters and Water, 1982*, mentioned about that people should no longer be treated as a 'cost', but as a company 'asset' and central source of competitive advantages. We are currently facing the 'golden era' of workforce planning (Sullivan, 2002a). Whilst some organizations have been conducting workforce planning since the 1960s, there has been a considerable resurgence of interest in the last decade as it has risen to become one of the 'hottest topics on the planet'. Despite the recent enthusiasm, the implementation of workforce planning continues to present difficulties to practitioners and it has been described as 'one of today's greatest business challenges' (Laabs, 1996). Perhaps the most simple and most commonly used definition describes workforce planning as: Getting the right number of people with the right competencies in the right jobs at the right time. A more comprehensive definition, which highlights some of the procedural issues involved, defines it as: A process in which an organization attempts to estimate the demand for labor and evaluate the size, nature and sources of supply which will be required to meet that demand. (Reilly, 1996).

Past researchers such as Noe, Hollenbeck, Gerhart and Wright (2000) contended that human resource management (HRM) is known as the central business concern, that shapes the behavior, attitudes, and performance of the employees, hence, HR practices are important tools for organizational performance. Hom and Griffeth, (1995) posited that when employees are not committed to their firms, this would lead to reduction in

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productivity, poor service quality provided, lost business opportunities, and subsequently increased administrative burden to the companies.

Ramsey, Scholario, and Harley (2000) who have conducted a research to investigate the link between HR and productivity found that HR practices have in fact improved the performance of the companies.

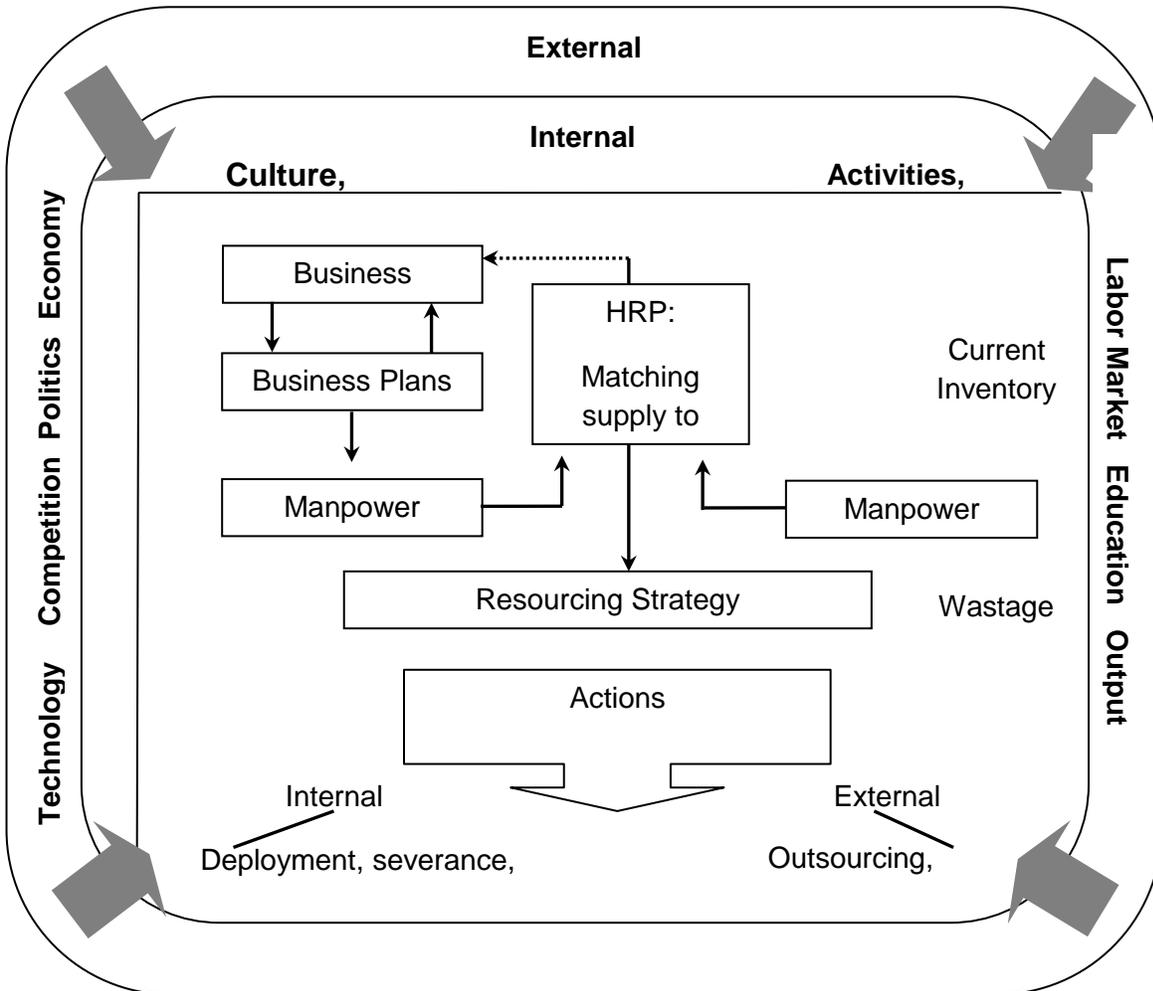
The impact of HR practices on organizational performance were noted in past researches where HR practices were linked to lower employee turnover (Huselid, 1995), better employees' organizational commitment (Wright, Gardner, & Moynihan, 2005), and improved on the work skills and behaviors of the workers (Wright, Gardner, Moynihan, & Allen, 2005).

Past researchers have found evidence on the impact of training on productivity and where employees and employers were able to share the benefits from training (Conti, 2005; Dearden, Lorraine, Reed & van Reenen, 2006; Ballot, Gerard, Fakhfakh, & Taymaz, 2006). On the other hand, Nankervis, Compton and McCarthy (1999) were of the opinion that effective training would not only equip employee with most of the knowledge and skills needed to accomplish jobs, it would also help to achieve overall organization objectives by contributing to the satisfaction and productivity of employee.

Arguments made in related research are that a firm's current and potential human resources are important considerations in the development and execution of its strategic business plan. This literature, although largely conceptual, concludes that human resource management practices can help to create a source of sustained competitive advantage, especially when they are aligned with a firm's competitive strategy (Butler, Ferris, & Napier, 1991; Cappelli & Singh, 1992, Jackson & Schuler, 1995; Porter, 1985; Schuler, 1992; Wright & McMahan, 1992)

The following figure shows how, ideally, workforce planning fits into the wider scheme of an organization (Reilly, 1996). It illustrates how the practice is linked to the formation of business plans and, in both consideration of supply and demand, sensitive to the external environment. The model implies that strategy making drives the process of implementation. In fact, as the feedback loops are intended to show, the reality is more iterative and complex. Workforce planning is not static but should respond to changing circumstances, either internal or external to the organization. Sometimes decisions may follow the strategic vision, sometimes strategies emerge from the action itself, and act as a form of *post hoc* rationalization. It may be a rational process, or one formed in *the 'political hurly-burly of organizational life'* (Johnson, 1987). As we will see, in practice the fit between workforce planning and the wider organizational environment is not always so smooth.

Figure 1: Manpower Planning Model



There is no set reason for adopting workforce planning. It can be applied in a number of environments for a number of reasons at all levels of an organization and in the short-term or long-term. From his work with HR practitioners, Reilly (1996) reported that it is primarily used for two reasons; to plan for substantive reasons, *i.e.* to have a practical effect, and to plan for the process benefits that the activity brings. Some examples of possible substantive reasons to adopt workforce planning are: i. to determine staff numbers required at a new location; ii. to deal with the problems of retaining a highly skilled staff; iii. to manage an effective downsizing program; iv. to look to see where the next generation of managers will come from (Reilly, 1996).

### 3. Methodology and Research Design

This research is mainly descriptive in nature. Both primary and secondary sources of data have been used. Secondary data have been collected from different published sources like books, journals, and web sites. For collecting primary data researchers have administered a structured questionnaire and a survey method has been used. The top and mid level employees of both public and private manufacturing and service

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organizations have been surveyed during the period of January to September 2012 and the sample size was 384. Non-probability convenient sampling procedure was used for selecting employees. The employees were asked to response to the statements arranged with a Likert scale from 1 to 5, where 5 indicates strongly agree and 1 indicates strongly disagree with the statement. The researchers themselves were actively involved in collecting primary data. Data have been analyzed through proper quantitative and qualitative techniques. We have used statistical tools and computer software for analyzing and reporting, such as – SPSS v 16.0. Simple statistical technique like sample mean have been obtained. To determine whether a significant association exists between binomials variables (e.g. manpower planning and organizational effectiveness and efficiency); correlation analyses have been performed.

### 4. Discussion of Findings

**Formulation and execution of manpower planning and development and the state of organizational effectiveness and efficiency:**

| <b>Table 1: The mean value of the variables of manpower planning &amp; development and the mean value of the variables of organizational effectiveness &amp; efficiency</b> |                   |
|---|-------------------|
| <b>Statements</b>   | <b>Mean value</b> |
| Factors should be considered when performing the Manpower planning (organizational planning)  | 3.9500            |
| Application of tools and techniques in Manpower planning  | 4.0616            |
| Factors should be considered when performing task in Manpower development   | 3.8203            |
| Application of tools and techniques in Manpower development   | 3.8203            |
| The mean value of the variables of organizational effectiveness & efficiency  |                   |
| Manpower planning and development and Organizational Effectiveness & Efficiency   | 3.8964            |

Survey results show that on an average, employees have opined at an agreed level ( $\bar{x}$ = 3.95) about the formulation of manpower planning by considering the following factors. The employee response about the application of tools and techniques of manpower planning ( $\bar{x}$ = 4.06) also at agreed level. That means i. The companies are considering all stakeholders and focusing on corporate strategy; ii. The structure of the organization is suitable enough to enhance the reporting, recording, decision making and information flowing; iii. Evaluating the current resource-people, skill, interest, abilities and experience exist in the organizations; iv. The companies analyze the internal availability such as demand and supply of the human resource required for project undertaking by company now and in future; v. The organizations are conscious about preparing job analysis and design to ensure the right people in the right job.

Survey results also show that on an average, employees have opined at an agreed level ( $\bar{x}$ =3.82) about the formulation and execution of manpower development by considering the following factors. That means the organizations believe that i. Quality improvement depends on high quality personnel at all level; ii. Staff retention is important to support both the short term and long term growth of the organization; iii. Proper rewarding scheme may improve employee's motivation level; iv. Adapting with unique manpower

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technology (tools and techniques) facilitates to capture project process efficiencies and control costs; v. Continuous improvement through training makes possible to recognize outside environment competition.

Finally the findings show that the organizations are performing effectively and efficiently through the manpower planning and development as the mean response is at the agreement level ( $\bar{x}=3.896$ ), which is shown the nearly agreement position of the employees. That means i. the organization ensures the 'efficiency of project execution' in achieving target time, cost and quality standard having the staff management plan and employment assessment properly; ii. Effective manpower planning and development help in improvement 'technical performance and innovativeness' such as minimizing human errors, low skills level and possible delay but improve ability in problem solving; iii. Manpower planning helps 'organizational efficiency and interfaces' in lowering the risk in conflict, improve decision making process and increase motivation level and cohesiveness; iv. Efficient manpower planning and development may also affect the 'personal growth' such as challenges and professional development; v. Effective manpower may contribute to 'managerial and organizational competencies' in promoting motivation and long term attachment with the company; vi. Effective manpower helps in construction 'business performance' such as gaining repetitive business, low cost in operation, low staff resignation rate (Table 01).

### **Correlation of manpower planning and development and organizational effectiveness and efficiency:**

#### **Hypothesis- 1**

**Ho:** There is no correlation between factors considered in manpower planning and organizational effectiveness & efficiency

(i.e.,  $H_0: r_1 = 0$ )

**Ha:** There is some degree of correlation between factors considered in manpower planning (organizational planning) and organizational effectiveness & Efficiency

(i.e.,  $H_a: r_1 \neq 0$ )

#### **Hypothesis- 2**

**Ho:** There is no correlation between application of tools and techniques in manpower planning and organizational effectiveness & efficiency (i.e.,  $H_0: r_2 = 0$ )

**Ha:** There is some degree of correlation between application of tools and techniques in manpower planning and organizational effectiveness & efficiency (i.e.,  $H_a: r_2 \neq 0$ )

#### **Hypothesis- 3**

**Ho:** There is no correlation between factors considered when performing task in manpower development and organizational effectiveness & efficiency

(i.e.,  $H_0: r_3 = 0$ )

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**Ha:** There is some degree of correlation between factors considered when performing task in manpower development and organizational effectiveness & efficiency (i.e.,  $H_a: r_3 \neq 0$ )

### Hypothesis- 4

**Ho:** There is no correlation between application of tools and techniques in manpower development and organizational effectiveness & efficiency (i.e.,  $H_o: r_4 = 0$ )

**Ha:** There is some degree of correlation between factors considered when performing task in manpower development and organizational effectiveness & efficiency (i.e.,  $H_a: r_4 \neq 0$ )

| <b>Table 2: Integrated results of correlation between factors considered in manpower planning &amp; development and organizational effectiveness and efficiency.</b> |                    |                              |                            |  |
|--|--------------------|------------------------------|----------------------------|--|
| Statements   | Test Value $r = 0$ |                              |                            |  |
|  | $\alpha$           | Sig. (2-tailed)<br>(p-value) | Correlation<br>coefficient | Conclusion<br>(95% confidence level)       |
| Hypothesis- 1  | 0.01               | 0.000                        | 0.214**                    | $H_o$ is rejected;<br>$H_a$ is established |
| Hypothesis- 2  | 0.01               | 0.291                        | 0.054                      | $H_o$ is not rejected                      |
| Hypothesis- 3  | 0.01               | 0.000                        | 0.222**                    | $H_o$ is rejected;<br>$H_a$ is established |
| Hypothesis- 4  | 0.01               | 0.000                        | 0.222**                    | $H_o$ is rejected;<br>$H_a$ is established |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

| <b>Table 3: Correlations between factors considered in manpower planning (organizational planning) and Organizational Effectiveness &amp; Efficiency.</b> |                        |  |   |
|---|------------------------|--|---|
| Variables   |                        | Factors considered in<br>manpower planning | Organizational<br>Effectiveness &<br>Efficiency |
| Factors considered in<br>manpower planning  | Pearson<br>Correlation | 1  | .214**  |
|   | Sig. (2-<br>tailed)    |  | .000  |
|   | N                      | 384  | 384   |
| Organizational<br>Effectiveness & Efficiency  | Pearson<br>Correlation | .214**                                     | 1   |
|   | Sig. (2-<br>tailed)    | .000                                       |   |
|   | N                      | 384  | 384   |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

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The researchers have revealed that there is statistically significant positive correlation between factors considered in manpower planning and organizational effectiveness & efficiency ( $r = .214^{**}$ ) and the reason may be that formulation of manpower planning is really important and has the direct impact on the organizational effectiveness and efficiency (Table 03).

| Variables  |                     | Application of tools and techniques in manpower planning | Organizational Effectiveness & Efficiency |
|--|---------------------|--|---|
| Application of tools and techniques in manpower planning | Pearson Correlation | 1  | .054                                      |
|  | Sig. (2-tailed)     |  | .291                                      |
|  | N                   | 384  | 384                                       |
| Organizational Effectiveness & Efficiency                | Pearson Correlation | .054   | 1   |
|  | Sig. (2-tailed)     | .291   |   |
|  | N                   | 384  | 384                                       |

But surprisingly the researchers have also revealed that application of tools and techniques in manpower planning is not significantly correlated ( $r = .054$ ) at the 0.01 significant level with the organizational effectiveness & efficiency (Table 04). So in our research according to the responses of the employees the recent practices are not influencing organizational effectiveness and efficiency.

| Variables   |                     | Factors considered when performing task in Manpower development | Organizational Effectiveness & Efficiency |
|---|---------------------|---|---|
| Factors considered when performing task in Manpower development | Pearson Correlation | 1   | .222 <sup>**</sup>                        |
|   | Sig. (2-tailed)     |   | .000                                      |
|   | N                   | 384   | 384                                       |
| Organizational Effectiveness & Efficiency                       | Pearson Correlation | .222 <sup>**</sup>  | 1   |
|   | Sig. (2-tailed)     | .000  |   |
|   | N                   | 384   | 384                                       |

**\*\***. Correlation is significant at the 0.01 level (2-tailed).

| <b>Table 6: Correlations between application of tools and techniques in manpower development and organizational effectiveness &amp; efficiency</b> |                     |  |  |
|--|---------------------|--|--|
| <b>Variables</b>   |                     | <b>Application of tools and techniques in Manpower development</b> | <b>Organizational Effectiveness &amp; Efficiency</b> |
| Application of tools and techniques in Manpower development  | Pearson Correlation | 1  | .222**   |
|  | Sig. (2-tailed)     |  | .000   |
|  | N                   | 384  | 384  |
| Organizational Effectiveness & Efficiency  | Pearson Correlation | .222**   | 1  |
|  | Sig. (2-tailed)     | .000   |  |
|  | N                   | 384  | 384  |
| ** . Correlation is significant at the 0.01 level (2-tailed).  |                     |  |  |

However, manpower development and organizational effectiveness & efficiency have statistically significant positive correlation ( $r = .222^{**}$ ) at the 0.01 level of significance (Table 05) and the application of tools and techniques in manpower development and organizational effectiveness & efficiency is also positively correlated (Table 06). So, the research findings show that organizations are conscious and give emphasize on both the formulation and execution of manpower development and also ensure the organizational effectiveness and efficiency.

**Causes leading towards the failure in manpower planning and development:**

The following reasons are then identified which lead towards the failure in manpower planning and development in the organization. The reasons are orderly arranged according to the respondents' emphasizing.

- i. Lack of knowledge in manpower tools and technique application
- ii. Various company standards, beliefs and policies in manpower practices
- iii. Lack of management support
- iv. Lack of employer and employee commitment towards manpower practices
- v. Overlooking the scope and importance of manpower participation of higher authority.
- vi. Lack of early involvement of personnel or manpower department in the project.
- vii. Resistant to change in new manpower tools and techniques.

**9. Concluding Remarks**

Manpower planning is a buzz issue on human resource agenda. Considering the fact that manpower planning and practices are directly affecting the organizational effectiveness and efficiency. According to research findings there is a relationship between manpower planning and organizational effectiveness and efficiencies; but the relationship is not much strong because the researchers assume that there are some other relevant factors that may also influence the correlations. If organization properly analyzes the factors,

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tools and techniques need to be considered in manpower planning and development, it affects organizational performance. So, authority should emphasize on preparing manpower planning that contributes to organizational effectiveness and efficiencies. As with any empirical research, the present study has some limitations. We have identified several limitations and wish to propose some suggestions for future research. The first limitation of this research is the researchers have not analyzed any financial analysis such as ratio analysis, income statement, balance sheet etc. The second limitation is that it has not measured the performance of employees such as turnover rate, absenteeism, productivity etc. The authors suggest in this regard that if further researches are being conducted by concerning the above limitations (financial analysis and employee performance measurement) then more specific and accurate correlation between manpower planning and organizational effectiveness and efficiency may be traced.

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### Appendix A:

The sample size for survey of employees has been determined using the following:

$n = pq (z/e)^2$ , where  $n$  = Number of statistically significant sample size.

$e$  = Tolerable error (If +/- 0.05% error is allowed, the value of

$e = 0.05$ )

$z$  = Confidence level (the table value at 95% level is 1.96)

$p$  = considered organization = 50%

$q$  = non considered organization = 50%

So,  $n = 0.05 \times 0.05 (1.96/0.05)^2 = 384$  employees

So, for better representation 384 respondents (top and mid level of employees) from selected service and manufacturing organizations were taken.

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## Appendix: B

### Questionnaire

Name of the organization and year of establishment: .....

Type of the organization:      a. Manufacturing organization                  b. Service organization

**[Rating scale: 5- Strongly agree; 4- Agree; 3- Less agree; 2- Disagree; 1- Disagree]**

| Statements  | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|
| <b>Factors should be considered when performing the Manpower planning (organizational planning):</b>  |   |   |   |   |   |
| The company should focus and consider all stakeholders and has a corporate strategy.  | 5 | 4 | 3 | 2 | 1 |
| The organization structure and charts should have suitable people to enhance reporting, recording, decision making and information flow.                        | 5 | 4 | 3 | 2 | 1 |
| The company should evaluate the current resource-people, skill, interest, abilities and experience.   | 5 | 4 | 3 | 2 | 1 |
| The company should analyze internal availability such as demand and supply of the human resource required for project undertaking by company now and in future. | 5 | 4 | 3 | 2 | 1 |
| The company should make job analysis and design to ensure the right people in the right job.  | 5 | 4 | 3 | 2 | 1 |
| <b>Application of tools and techniques in Manpower planning:</b>  |   |   |   |   |   |
| Organization practices the use of standard procedures in performing job activities and marking individual responsibilities.                                     | 5 | 4 | 3 | 2 | 1 |
| Company improve staffing management plan that reduce cost and improve motivation.   | 5 | 4 | 3 | 2 | 1 |
| Company has a proper formal reporting relationship being produce as outcome of Manpower planning.   | 5 | 4 | 3 | 2 | 1 |
| <b>Factors should be considered when performing task in Manpower development:</b>   |   |   |   |   |   |
| Quality improvement depends on high quality personnel at all level.   | 5 | 4 | 3 | 2 | 1 |
| Staff retention is important to support short term and long term growth.  | 5 | 4 | 3 | 2 | 1 |
| Proper rewarding scheme may improve employee's motivation level.  | 5 | 4 | 3 | 2 | 1 |
| New Manpower technology (tools and techniques) may be used to capture project process efficiencies and control costs.   | 5 | 4 | 3 | 2 | 1 |
| Continuous improvement can be made through training to recognize outside environment competition.   | 5 | 4 | 3 | 2 | 1 |
| <b>Application of tools and techniques in Manpower development</b>  |   |   |   |   |   |
| Company has the complete documentation about a project include project plan, project staff record, performance report etc.                                      | 5 | 4 | 3 | 2 | 1 |
| Employees (Manpower) attend team building activities that lead to improve team member's skills and competency.  | 5 | 4 | 3 | 2 | 1 |
| Company has general management skills training to develop individual and team performance.  | 5 | 4 | 3 | 2 | 1 |
| Company recognizes and rewarded employees accordingly to improve individual and team performance.   | 5 | 4 | 3 | 2 | 1 |
| Company use appropriate interaction process in conducting meeting or discussion.  | 5 | 4 | 3 | 2 | 1 |
| Company initiates individual or team in formal and informal training (on-the-job and off-the-job).  | 5 | 4 | 3 | 2 | 1 |
|   |   |   |   |   |   |

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| <b>Manpower planning and development and Organizational Effectiveness &amp; Efficiency</b><br>(The following statements are related to your organization):   |   |   |   |   |   |
|--|---|---|---|---|---|
| Appropriate Manpower tools and techniques (staff management plan, employment assessment) may bring about "Efficiency of project execution" in achieving target time, cost and quality standard.                        | 5 | 4 | 3 | 2 | 1 |
| Effective Manpower planning and development helps in improvement "Technical performance and innovativeness" such as minimizing human errors, lows skills level and possible delay; improve ability in problem solving. | 5 | 4 | 3 | 2 | 1 |
| Manpower planning helps "Organizational efficiency and interfaces (boundary)" in lowering the risk in conflict, improve decision making process; increase motivation level and cohesiveness (consistency).             | 5 | 4 | 3 | 2 | 1 |
| Effective Manpower may contribute to "Managerial and Organizational Competencies" in promoting motivation and long term attachment with the company.   | 5 | 4 | 3 | 2 | 1 |
| Effective Manpower helps in construction "Business Performance" such as gaining repetitive business, low cost in operation, low staff resignation rate.  | 5 | 4 | 3 | 2 | 1 |

### Causes(s) leading towards failure in Manpower planning and development:

| Reason(s)  | Select and Tick |
|--|-----------------|
| Failure in Manpower planning and development                                 |                 |
| Lack of management support   |                 |
| Lack of knowledge in Manpower tools and technique application                |                 |
| Overlooked scope and importance of Manpower participation.                   |                 |
| Resistant to change in new Manpower tools and techniques.                    |                 |
| Lack of employer and employee commitment towards Manpower practices          |                 |
| Various company standards, beliefs and policies in Manpower practices        |                 |
| Lack of early involvement of personal or Manpower department in the project. |                 |