



Human Resource Planning in Nilachal Ispat Nigam Limited : Key to Ensure Effectiveness of the Organization

Pranaba Nanda Das

Research Scholar, IBCS, SOA University, Bhubaneswar, Odisha

Dr.Bandana Nayak

Assistant Professor, IBCS, SOA University, Bhubaneswar, Odisha

ABSTRACT

This paper illustrates the relative influences of human resource planning on the effectiveness of the organization. It has tried to find out the degree, to which Nilachal Ispat Nigam limited (NINL), Odisha, is successful in achievement of its Strategy, Mission, Vision, Utilization of its resources, Organizational growth, Efficacy, and Sustainability. This study reveals that there is a highest stability index but the productivity has not maintained a constant growth. Although human resource planning is effective to some extent but there is still requirement of few more committed employees. There is a fluctuation in productivity due to some external reasons like reduced rate of percentage of per capita use of steel in domestic market, environmental policies taken by government and unavailability of major raw materials like coal, power etc. in last couple of years.

KEYWORDS

Human Resource Planning, Organizational Effectiveness, Stability Index.

Introduction

Human resource is most valuable aspect among all resources of the organization. If the organization keeps the right kind of people at right place at right time then majority of its problem will be solved. This accurate measurement can be implemented only by effective human resource planning, but it is also evident that despite the efforts taken for bringing all rights for the company, still there are some challenges for human resource planning in terms of productivity, effectiveness, efficacy and consistency. So ultimately the responsibility roles on from selection to recruitment to human resource planning. Every organization reaches its pinnacle when it takes care of its first and forecast step of excellence i.e. proper human resource planning. It further adds value by its execution and implementation. But the irony is the human resource planning has to be moderated as per the market demand employee turnover, natural calamities operational and situational crisis, which sometimes becomes difficult in public sector to execute.

In early stages Manpower planning, which was now called as Human resource planning was in the era of personnel management. The word human resource becomes familiar and got acceptance as a way of emphasizing the projective view of human resource.

A proper human resource planning lead to the organization towards a good extends. The whole effectiveness of the organization completely depends upon the appropriate human resource planning. An effective human resource planning process analyzes the manpower needs under changing conditions and expansion activities.

Human power is a key ingredient to the successful journey of an organization (Tung, 1984). It is essential to give more emphasis to human resource planning within the organization. Some of the organizations usually are unsuccessful to fore sight long run benefits or the advantage of human resource planning but some of them distinguish the benefit of effective human resource planning and make it a part of their organization (Sword & Cutsinger, 1984). The organization realizes the proper hiring of employee which can reduce the probability of failure. Now it was a challenge to the organization to find out these people, induce them into the organization and maintain their services particularly in public sectors undertakings (PSU's). It is very difficult in public sectors undertakings (PSU's) to recruit immediately and restructure its human resource planning model because of its lengthy procedure and stringent rules and policies of the government. As a policy matter it cannot

function as per the market demand and situation from time to time hence, there are certain organizations which follows structured human resource planning as a tool for employment. This study has taken a public sector undertaking of Odisha, Nilachal Ispat Nigam Limited (NINL) as a case study and observed certain gaps unidentified areas and bottlenecks in human resource planning which are discussed in this paper.

Statement of Research Problem

Human being is very complex in nature. It is the proper human resource facilitation who makes it easier to carry the alteration of an average employee to an effective one which eventually brings effectiveness in organization managing.

Human resource is basically a line function at its initial stage as they mostly work directly under line manager. But the line managers give priorities to material handling and then to finance. The irony is the line managers take the human resources for granted and forget the importance of the people variable, which is the key to success in every organization. Many organizations face incurable problems towards the journey of its excellence which can be solved by proper implementation of human resource planning (HRP). In this study questions to be answered included;

How the organizations can use proper human resource planning (HRP) that smoothen the functions like Right fit, Selection, Induction, and Placement?

What are the process prevailing for calculating Employee Turnover, Employee Productivity and Stability index?

Review of Literature

Manpower planning is an integrative process, which is integrated with company business plans and program budget cycle (Gabora and Plunkett, 1977). Human Resource planning ensures right kind of people, at right place, at right time. It is a strategic and semi structured and /or unstructured exercise which require dedication and attention from a variety of manpower involved (Top level, Middle level & others), (Mohanty & Desmukh, 1997). In spite of giving more attention and dedication by the organization, still some challenges have to face by the organization for implementing effective human resource planning. Employees inside the organization are not become proactive and become reactive with time to time which results faulty recruitment. Japanese MNC's failure rate is low then other MNC because the traditional Japanese loyalty to one's organization and low mobility of employees (Tung, 1984). HR

planning is essential in identifying effective workforce with proper skills and knowledge needed. A well-structured and carefully performed human resource system, including recruiting, hiring and retention, not only can improve a firm's profitability, but also can sharpen its competitive edge (Boxall and Steeneveld 1999). Today's organization cares for a job more as a mean of enjoying themselves then to earn money, thus the employee hardly ever leave the organization (Mllela, 2012). Many researches also have criticised the effects of human resource planning on organizational performance. Nkomo (1987) found out that there is no significant relation between human resource planning and organization performance.

Methodology

The study has followed a mixed-method of concurrent research, But the data was gathered through in-depth interviews with HR managers and departmental heads, who are directly or indirectly involved in human resource planning (HRP) of NINL.

Effective human resource planning (HRP) denotes here the accurate method of demand forecasting, supply forecasting, Man power position, employee turnover index, stability index, HR audit, and employee productivity. The effective human resource planning can bring excellence and became instrumented to growth, efficacy and sustainability.

Clarification of Concepts

Human resource planning is defined as "the process in which management determines how the organization should move from a current human resource planning to a desired human resource planning, (Vietter, 1967). An organizations effectiveness is completely depend upon the cautious study of its human resource planning, which results increased productivity, more pleased and developed employees inside the organization. Human resource planning is the key element to ensuring the organizations effectiveness and efficiency of human resource management. A plan is always predetermined course of action which generally has three major characteristics.

- It must involve future.
- It must involve action.
- There should be an element of human or organizational identity.

It is the process of assessing about the future method or practice for predict teething troubles and searching though reasoned action on the basis of fore –knowledge and to guide the action towards the required goal(Lester, 1966).It is likely to define Human resource planning from a tapered point of view or from a very broad one(Patten, 1971). Starting from a very narrow sense of replacement planning which normally conducted in industrial elation activities within an organization to tantamount to personnel planning and its actions like staffing, selection, placement, training and development, wages and salary management labour relations etc, to human resource and employment policy at the level of financial system. In this context human resource is regarded as the qualitative and quantitative measurement of the employees and planning considered as to enhance employees in line with different other organizational goals (Srivastava, 1997). It may involve different skill enhancement programmes to improve employee's performance, participation, in order to increase organizational productivity, quality and ideas for innovation.

Process of HRP.

The first step of human resource planning process is to collect information and forecasting about the requirement and existing resource. A requirement of human resource denotes an estimation of numbers and types of employees required for the future in order to achieve the organizational goal and target. The process of Human resource planning can be broadly delineated into four different stages.

Investigation: - It is the initial stage of the organization in which organization try to develop awareness about the de-

tailed manpower position with a holistic view. Manager can use a SWOT analysis to divulge a better picture with taking external environment, performance and productivity trend, working culture and operational and strategic plans into consideration.

Forecasting:-Forecasting of future needs provide the information regarding how many and what type of peoples are required by the HR manager. In the other hand existing forecast signify the estimation of number and type of people available inside the organization for the future estimated date. The existing forecast must judge about the incoming and outgoing of employees for the future planned date. There are many type of forecasting methods are used by the HR planners some of them are Zero Based forecasting and Bottom-up approach.

Planning and Control Management: - In this stage forecasting of human resources are converted into human resource policy which covers the matters like hiring, training and development. Hiring process must be aware of about job description which again bonded with job analysis and job specification. Efforts must be made in planning and documentation for the training and development policies for awareness of the problem in context of changing technology and environment.

Utilization of human resources: - It is the final step of the Human resource planning process where success is measured in terms of achievement of both qualitative and quantitative trends.

Labour Turn over Analysis

Labour turn over analysis focuses into the attrition rates and the current market scenario. The HR manager is accountable to get the attrition rate by gathering lots of data. The attrition rate gives a concrete data about organizational behaviour in pockets. For example higher attrition rate of one group then other implies a poor management, similarly low productivity with low attrition rate implies self-satisfied staff who are not interested to go to extra yard to achieve organizations objective. In this type of situation the HR staff must be effective to communicate the message to those staff for achieving the objectives of the organization. Proper placement of employees reduces the rate of employee turnover, accident, absenteeism, and also increases the morale of the individual employee.

Work environment analysis

Work environment analysis gives emphasis on the assessment of the scope provided to the employees to use and enhance their skills to achieve job satisfaction. In order to improve the work environment, best practices like defining employees about their work environment through orientation programme to realize and facilitate them with the environment, formation of various committee like canteen committee, cultural committee, technical committee, celebration committee from the voluntary representative among the employees to make a creative, energetic and productive environment. The HRD department of Nilachal Ispat Nigam Limited (NINL) is conducting lots of orientation programmes throughout the year in order to make god relationship among the employees and to create productive environment.

Operational effectiveness analysis

Operational effectiveness analysis is the estimation of productivity and utilization of the people .It helps to find out the ways to best employees from the view of organizational goal. Today's organization face low productivity due to various operational factors like lack of employee engagement, lack of motivation, bad manager, long association with the same job etc. To develop the productivity of Nilachal Ispat Nigam Limited (NINL) the HR manager organizes a series of training and development programmes in both works and non works area of the organization. Inter departmental training programme are also being conducted to develop overall efficiency and calibre of the employee.

Human Resource Audit

Human resource audit may be defined as the process of planning and controlling the use of human resources effectively and efficiently to help the management within an organization (Batra, 1996). A systematic audit gives a diagnostic tool to calculate human resources performance against organization prospects and leading practices and target areas that would profitable from improvement. An audit means by which an organization determines where it presently stands and access what has to achieve to improve its human resource functions.

Human resource audit is always a learning tool not a test which involves organized review of all aspects of human resources ensuring that Government regulations and organization policies are being stick on. It is a systematic evaluation of the vigour, weakness, constraints, and developmental aspects of existing human resources in context of organizational performance (Sekhri, 2010)

As human resource function is charged with developing ethics, culture and a set of exercises that engage, maintain, develop and inspire high performing talent. An effective and organised human resource function also engaged in establishing work practices that allows the facts and potentials of all the members of the employees to become known and utilised effectively. So, an human resource audit is very much functional to exhibit to what extent human resource function contributes the organizational effectiveness as a whole.

Human Resource Planning at NINL

The Nilachal Ispat Nigam Limited (NINL), is one of the integrated steel plant situated at Kalinga nagar Industrial complex, Jajpur, Odisha, India, having capacity of 1.1 M.T per year. Its future plan of expansion is to produce 5.0 M.T per annum within 2015. The HRD department is fully accountable for HR function and planning within the organization taking the consultation with departmental heads. Its measure area of concentration is to maintain and justify the total revenue generated, annual production, profit loss account, productivity of last five year with the help of man power position and to achieve the forecasted annual production with proper human resource planning.

NINL finds out the demand and supply forecasting with the existing man power position, its modification, employee turnover, retention ratio, stability index and employee cost to rationalise human resource position which are discussed below.

Table-1:Man Power Position at NINL

Manpower Position at NINL															
Area/ Year	Mar 2014			Mar 2013			Mar 2012			Mar 2011			Mar 2010		
	Non- Dept.	Exe	Non- Exe	Non- Dept.	Exe	Non- Exe	Non- Dept.	Exe	Non- Exe	Non- Dept.	Exe	Non- Exe	Non- Dept.	Exe	Non- Exe
	Dept.	Exe	Exe	Dept.	Exe	Exe	Dept.	Exe	Exe	Dept.	Exe	Exe	Dept.	Exe	Exe
Total workies	1056	219	837	1061	216	845	1114	222	892	1145	203	942	1146	197	949
Non workies	182	76	106	176	72	104	175	69	106	184	60	104	167	62	105
Project	21	9	12	28	13	15	36	18	18	41	23	18	41	23	18
Milans	5	4	1	5	4	1	7	5	2	19	7	2	11	8	3
SSB	138	100	238	203	70	133	135	34	81	47	8	59	0	0	0
Total		408	1194		375	1128		348	1099		305	1123			
Total		1462			1463			1447			1456				1466

The above Table indicates the increase of man power in numbers for last five years due to expansion of phase-II production. The future production plan is 5.0 M.T. per year which projects more man power requirement in the near future.

Table-2: Production of Hot Metal at NINL

Year	Total Hot metal production in 000'tons
2014	645
2013	529
2012	570
2011	642
2010	719

Table-2 depicts the gross Hot metal Production annually. There is a fall in production in the year of 2011 to 2012 due to decrease in market demand, unavailable of raw material and changes in government policies.

Table-3: Gross Sinter at NINL

Year	Total Gross Sinter in 000'tons
2014	1124
2013	903
2012	1019
2011	1000
2010	859

There is subsequent fall and rise of gross sinter production for last five years. But it shows a growth rate at a slow pace which is shown in table -3.

Table-4: Total Pig Iron at NINL

Year	Pig Iron in 000'tons
2014	556
2013	483
2012	523
2011	573
2010	657

In Table -4, the trend shows that Pig iron production is also decreasing in last five years

Table-5: Total Power Generation at NINL

Year	Total Power generation in 000'mwh
2014	225
2013	251
2012	307
2011	254
2010	236

Table -5 depicts that there is increasing rate of power generation which is not directly proportionate with the productivity.

Table-6: Gross Coke at NINL

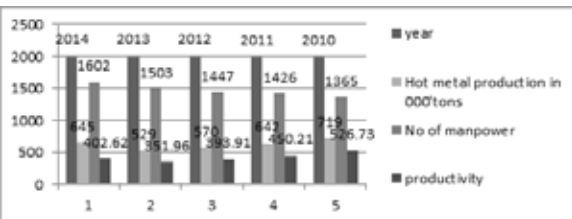
Year	Gross Coke in 000'ton
2014	538
2013	648
2012	710
2011	573
2010	523

Table -6 illustrates that in 2012 and 2013 the Coke production is more in comparison to 2010, 2011 and 2014. There is a fluctuations shows in coke production which is due to the same reason, i.e. unavailability of raw material and government policies.

Table-7: Employee Productivity at NINL

Year	Total Hot metal Production in 000'tons	Total Manpower in nos.	Employee Productivity Total production/ Total Manpower deployed .in tons
2014	645	1602	402.621
2013	529	1503	351.962
2012	570	1447	393.918
2011	642	1426	450.210
2010	719	1365	526.739

Fig-1 Employee productivity at NINL



The above Table-7 and Figure-1 shows the employee productivity of NINL. The Table shows that there is a decrease in productivity in 2012, 2013, 2014 in comparison to 2010 and 2011. Normally NINL calculates the productivity from the total Hot metal produced in the organization.

Table-8: Employee cost at NINL

Year	Total Revenue Generated in Lakhs.	Total Employees in nos.	Employee cost in lakhs.	%age of Employee cost to Total revenue
2014	155517.18	1602	97.09	5.69
2013	148940.01	1503	99.09	5.56
2012	195098.96	1447	134.82	4.02
2011	158464.44	1426	111.12	4.22
2010	152223.75	1365	111.51	3.37

It is evident from Table-8 that employment cost is decreasing in last 5 years.

Labour Stability Index:

Table-9: Stability Index of NINL

Year	Total manpower in nos.	No of employees with 1 year's Service at date	Number of employees employed exactly one year before	Stability index
2014	1602	103	1503	93.82
2013	1503	56	1447	96.27
2012	1447	21	1426	98.54
2011	1426	61	1326	92.98
2010	1365	08	1353	99.12

The above Table shows the labour stability index of NINL. It is supported on the number of employees who could have continued during the whole period. As rule, employees with a full year's service are articulated as a percentage of employees in post one year ago. This labour stability index typically links the leaving rate with length of service. As Nilachal Ispat Nigam limited is a public sector undertaking under the Government of Odisha the stability of employees are always high in percentage.

It is expressed as :-

$$\frac{\text{No of leavers with more than 1 year's service}}{\text{Numbers employed one year ago}} \times 100$$

OR

$$\frac{\text{No of employees with 1 year's Service at date}}{\text{Number of employees employed exactly one year before}} \times 100\%$$

Annual Labour Turnover Index:

As Nilachal Ispat Nigam Limited (NINL) is a public sector un-

dertaking, employee turnover rate is very negligible because the employees do not leave the company unless extreme exigencies or gross misconduct. So, there is less chance to calculate annual labour turnover. However, 0.36% turnover was found using the formulae.

It is usually expressed as follows:

$$\frac{\text{No of Employees leaving during the year}}{\text{Average No employed during the year}} \times 100$$

OR

$$\frac{\text{Leavers in a particular year}}{\text{Average Numbers of staff in post during the year}} \times 100 = \text{percentage wastage rate}$$

This also may call as percentage wastage rate, or the conventional turnover index. To calculate the wastage and looks at the number of staff leaving during the year as a percentage of the total number employed who could have left, that is, it provides information about the ratio of leavers to the average numbers employed during the course of a year.

The organizations just hire people without planning with a great expectation without giving adequate time to the employee and fire them within a short period of time, which become a trial and error method of the employees within the organization and results a failure of the organization in near future

Conclusion

Human resource planning is directly linked with the business strategy. As Nilachal Ispat Nigam Limited is a public sector undertaking, there is less chance of moderating the human resource planning frequently as per the present market situation. This study found out that there is a highest stability index but the productivity has not maintained a constant growth. Human resource planning in NINL was found to be effective but fully as around fifty percentage employees are committed there, where as rest employees are to be trained properly from all angles like skill development, motivation, group dynamics and team building etc., so that productivity will be more and cost of production will be less. So, in a holistic approach, human resource planning will be perfect and recruitment and selection process are to be blamed. NINL cannot fire easily to any employee as it is a public sector undertaking. Hence, proper hr tools are to be used to develop the employees and change their attitude and contribute to a greater extent to the development of the organization and the country as well. There can be infusion of new bloods to add value to productivity and growth of the organization. Implication of human resource planning has to be evaluated time to time to obtain optimal use of human resources and future requirements.

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