



HUMAN RESOURCE PLANNING IN CHANGING BUSINESS SCENARIO

A study of Infrastructure Development Organization



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CHAPTER 1

INTRODUCTION

“Desan me des Haryana, Jit doodh dahi ka khana”

The name of Haryana means the abode of god. It is a land where guests are treated as god. Haryana represents the face of modern India. Today Haryana is positioned among one of the wealthiest and most economically developed regions in south Asia. Today Haryana stands tall with its remarkable place in Human Resources and Tourism with well-developed economy, agricultural development, industrialization and flourishing art and Culture. Gurugram is the financial hub of NCR with major fortune 500 companies located in it. As largest recipient of investment per capita since 2000 in India, and among one of the most economically developed regions, Haryana has third highest per Capita Income at 214,509 (US\$3300) against the national average of 112,432 (US\$1700). It is pertinent to mention that 7% of national agricultural exports, 60% of national basmati rice export, 67% cars, 60% motorbikes, 50% tractors and 50% refrigerators of India is produced in Haryana.

Today, it is hard to envision any organization accomplishing and maintaining viability without proficient Human Resource Management initiatives and practices. The work environment over the world including India has confronted some real changes amid the most recent ten years.

The expanding rate of progress and additionally the worldwide and focused market situations has prompted new difficulties for the two organizations and people. Imperative basic changes are being executed amid these years. Organizations confront numerous adjustments in the business condition like expanded national rivalry and slower development. In the meantime, changes inside workforce demography, innovation and other ecological perspectives are making the requirement for new structures and management rehearses, which add to hierarchical duty and adaptability.

Industrialization plays a vital role in the development of an economy. It accelerates the economic growth of the state thereby increases the contribution of industry sector in the state domestic product by way of increase in production and employment, which is ultimate goal of the state government policies too. With the change of political scenario in the year 2014, the business environment in Haryana has also changed which has great impact on HSIIDC, which is a nodal agency for the state for infrastructure development. HSIIDC is a company incorporated on 08.03.1967, under the provisions of the Companies Act, 1956 with the objectives to develop industrial infrastructure in the State of Haryana under the aegis of Department of Industries and Commerce, Haryana. With the increase in level of operations and additional activities like KMP, Global City Project, Mass Rapid Transit System, Integrated Multi-logistic Hub and a number of Public Private Partnership Projects, flatted factories, land acquisitions and transfer of Industrial Estates from DI, Industrial Labour Housing etc., additional manpower would be required to handle the increased activities/projects. Manpower plans with 1096 posts in different cadres approved by the State Govt., in January, 2007. A restructuring plan with some policy amendments has been prepared to cater the need of Organization wherein, the posts proposed to be sanctioned are 1205. HSIIDC is nodal agency of the State Government for development of industrial infrastructure in the State. HSIIDC has developed Industrial Estates/Industrial Model townships (IMTs) all over the state and allotting industrial plots to the prospective entrepreneurs for setting up of their industrial units. The industrial areas developed by the Industries Department were transferred to HSIIDC in the year 2012 and for HUDA areas; it was decided to begin with MIE Bahadurgarh and IE Dharuhera. The Hon'ble CM-cum-Chairman, HSVP on 13.02.2018 has approved transfer of rest of the industrial areas developed by HSVP to

HSIIDC and process for transfer of the same is underway. The Financial position of HSIIDC may be referred as under:–

				(₹ Crore)
Particulars	As at 31 st March, 2018 (Unaudited)	As at 31 st March, 2017 (Audited)	As at 31 st March, 2016 (Audited)	As at 31 st March, 2015 (Audited)
Equity Share Capital	48.84	48.84	48.84	48.84
Reserves and Surplus	1651.38	1428.78	1362.46	1308.18
Net Worth	1700.22	1477.62	1411.30	1357.02
Borrowings	13879.62	9432.33	6156.33	5033.22
Revenue	1608.14	1811.93	846.63	935.70
Expenditure	1379.40	1678.29	734.79	714.75
Profit before Tax & Provisions	228.74	133.64	111.84	220.95
Profit after Tax & Provisions	226.81	93.82	60.30	143.75

The Key Project initiatives are also been undertaken by the Corporation as a State Govt., Nodal Agency, i.e. Delhi Mumbai Industrial Corridor (DMIC) project, the Global City project in Gurugram district at Gurugram over an area of more than 1000 acres is to be developed, Integrated Multi Modal Logistics Hub (IMLH) at Nangal Chaudhary over an area of about 1200 acres at Nangal Chaudhary in Southern Haryana, Mega Food Park Project at Industrial Estate Barhi over an area of about 75 acres, under the Mega Food Park Scheme (MFPS) of Ministry of Food Processing Industries (MOFPI), Govt., of India. The need of manpower and restructuring in terms of effort and initiative and innovation to be adopted by the State Govt., and HSIIDC. The study is focused to assess the effectiveness of plan prepared by HSIIDC and to suggest the change in proposed plan

keeping in view of changing economic environment and economic crisis in HSIIDC. Now a day HSIIDC has a big financial crunch and due to enhanced compensation and other liabilities its debt has increased to around Rs.15,000/- crores and the organization is in recovery stage for which grounding of investment proposal needs to be converted into reality. Whether the following services provided online by the State Government rightly provide ease in getting the services in the time bound manner as per citizen charter/right to services Act? The study has covered the aspect of economic environment and some how assess the effectiveness of these initiatives and the system being adopted by the State Govt., to promote the industrial development in the state and changes needed to be observed in these practices keeping in view the need and changing environment and state policies.

The expanding weights from the quick changes that are happening in the business condition have prompted an assortment of reactions among modern organizations. Globalization of creation and markets, the rate of mechanical development and variance in buyer request are among the components that have expanded the dynamism of the focused condition to which organizations must respond. Organizations today should think about progressive patterns—quickenning item and innovative change, universal rivalry, deregulation, statistic changes, and a move towards an administration society. These patterns have expanded significantly the level of rivalry in for all intents and purposely all businesses. Either organizations in such a domain end up aggressive superior workers or they vanish. Inside this focused authoritative setting, human resource management rehearses has increased expanded importance. All the more particularly, HR has been connected to expanded efficiency, great client benefit, more prominent gainfulness and general hierarchical survival. To accomplish such connection, administration must not just face current issues of human resource management yet additionally manage future difficulties identified with human resource management successfully. One of the fundamental difficulties that human resources chiefs include issues of preparing and creating human capital. As organizations create, they need to work in an always-interconnected world. Preparing and improvement exercises will bolster those adjustments sooner rather than later and are fundamental to the achievement of any authoritative technique. In the very aggressive, worldwide commercial center, the upper hand for organizations

is the nature of their HR. Up to now, preparing and advancement has been largely confined to neighbourhood and territorial endeavors. Besides, an expanding accentuation is put on the inner preparing and the utilization of at work preparing, as opposed to outside courses. Just constrained subsidizing is accessible from organizations for globalizing, which requires a more costly preparing venture. The purpose of this investigation was to determine the levels of employees of HSIIDC with job dimensions and perceived organizational commitment in public sector, which includes various Field Offices in HSIIDC also. Study was also aimed at various Business initiatives and the position and HSIIDC amidst innovation and changing business scenario wherein Haryana has achieved third rank in ease of doing business. Therefore, it is a separate set of system and so where focus shall be on the accessing the effectiveness as a system itself including permanent, contractual staff. In addition, the study aimed at exploring to what extent these employees are committed to their job and satisfied with different dimensions to their job. A survey-based descriptive research design was used. The study was carried on HSIIDC. About 600 survey questionnaires were distributed in the Year 2018 by employing diverse modes of communication such as email, in person and post, social media and google survey. Multiple follow-ups yielded total 400 statistically usable questionnaires/online survey forms. Descriptive and inferential statistical techniques were used to give answer to me research questions. The findings of the study indicated that the satisfaction with work-itself, quality of supervision and pay satisfaction had significant positive influence on organizational commitment of municipality employees. They had high degree of organizational commitment and satisfaction with work-itself, supervision, salary, co-workers and opportunities for promotion. The focus of the study was employees working at HSIIDC. Job Descriptive Index (JDI) and Organizational Commitment questionnaire were used to measure job satisfaction and organizational commitment. The relevant literature shows that public sector employees' commitment and job satisfaction is under-researched area particularly in the public sector institutions in Haryana specific to HSIIDC. So, the current investigation may contribute to improve the Restructuring Plan which has been proposed by HSIIDC and under consideration of the State Govt., for its approval and the same has already been approved by the BoD of the Corporation. Besides the study findings are discussed in perspective of practical implications and a

paradigm shift where government is taking business initiatives and changed mechanism to get the business licenses in public administration sector. Current status of various projects in HSIIDC is as under:

1. Global City

Global City project is to be developed in an area of 1002.45 acres, located south of Pataudi Road and east of NPR at south eastern corner of NPR-Pataudi road intersection. The Global City will house multi sector activities including—residential, commercial, finance center, office spaces, knowledge center, health care, exhibition-cum-convention center and innovation-cum-incubation centers, designed for resident population of 1.8 lakh persons and for an employment of over 5.3 lakh persons. Huge employment flow to Global City from Gurugram and other parts of NCR is expected.

2. Integrated Multi Modal Logistics Hub (IMLH) at Nangal Chaudhary

Project Concept: An Integrated Multimodal Logistics Hub is to be developed over an area of about 1200 acres in Southern Haryana which will comprise all facilities including Export Import (EXIM)/Domestic Container Yard and Container Freight Station for Storage & handling of domestic container cargo; Auto Zone for storage of automobiles; Commercial Area for commercial developments/activities and Common Area for common facilities like—Power stations & transmission, Water Tanks & pipes, Security, Truck parking etc.

3. IMT Sohna

Development of Industrial Model Township (IMT) at Sohna.

The Government of Haryana acquired land measuring ~1545 Acres for development of Industrial Model Township at Sohna vide awards dated 21.05.2010, 31.05.2010 and 15.12.2016. The land parcel lying on the north of KMP Expressway has been earmarked for the purpose of project under PPP mode and measures ~1406 acres [Project Land: 1292.14 acres; Orbital Rail Corridor: 34.36 acres; 100 m wide green belt: 79.63 acres].

4. IMT Kharkhoda

The Corporation had acquired about 3200 acres of land in District Sonapat for development of IMT Kharkhoda. The area was earlier planned for conventional development comprising of industrial, commercial, institutional & residential plots of various sizes.

5. Kundli-Manesar-Palwal (KMP) Expressway

In pursuance to the orders dated 30.01.2015 of Hon'ble Supreme Court and as per decision of Haryana Govt., HSIIDC had got awarded the work of Western Peripheral by dividing the project into two sections, details of the Sections is as under:-

Manesar-Palwal Section

For Manesar-Palwal Section, which is 52.33 km long work was allotted by HSIIDC on 28.03.2015 to M/S KCC Buildcon Pvt. Ltd.—Dilip Buildcon Pvt. Ltd. (JV) with contract value of Rs.457.81 Crores. The work in this Section was completed on 31.03.2016 and collection of Toll has been started w.e.f. 15.07.2016.

Kundli-Manesar Section

For Kundli-Manesar Section, which is 83.32 km long, HSIIDC had awarded the work on BOT (Annuity) basis to M/S Essel Infraprojects Limited on 31.07.2015 and the Concession Agreement was executed with the Concessionaire i.e. M/S Kundli Manesar Expressway Ltd. (100% subsidiary of M/S Essel Infraprojects Limited) on 03.09.2015. As per the terms of the said Agreement, the Concession Period of the project is 17 years including 2½ years construction period. The Concessionaire had achieved the Financial Closure on 24.08.2016 which is the Commencement Date/Appointed Date of the Project. The project has been inaugurated by the Hon'ble Prime Minister and was opened for Traffic on 19.11.2018. Further, as per provisions of Concession Agreement, Independent Consultant has issued Provisional Completion Certificate to Concessionaire on 04.12.2018 and collection of Toll has been started w.e.f. 12.12.2018.

6. Mining Activity

The State Govt., sanctioned lease of an area of 258.30 hectares to HSIIDC for stone mining in Village Khanak, Tehsil Tosham, District Bhiwani, for a period of 20 years, on 30.12.2013. Director Mines & Geology issued LOI on 03.01.2014. The Director General Mines Safety had earlier prohibited Mining in the said area due to unsafe conditions of Mines/uncontrolled operations by illegal occupants in the past and the mines were not in operation for the last eight years. The present Government took initiative to start operations and HSIIDC started operations successfully in December 2016, in conformity with Mining Plan approved by Central/State Government Authorities, after obtaining the necessary permissions and making arrangement for adequate safety and infrastructures etc. and initiated Mine rectification work employing the Certified Mine Experts, including local workers/staff.

7. Composition of Manpower in HSIIDC

Against the sanctioned strength of 1098 posts, the present strength of HSIIDC employees is 487 which can be classified as under:

Sr. No.	Cadre	Sanction Strength	In Position	Vacant	Remarks
1	Group-A/ Class-I	41	32	04	05 Class-I posts downgraded (net). All promotional posts.
2	Group-B/ Class-II	260	148	125	Out of 88 direct quota posts vacant, 44 posts sent to HPSC out of which 39 posts advertised & 5 withheld by HPSC for clarification from CS office. 22 posts to be forwarded by AD to HPSC. 05 posts of EBP & BCC & 15 posts of Finance Division not sent/withheld. 37 promotional quota posts.

3	Total Executives	301	180	129	
4	Group-C/ Class-III	564	173	391	Out of 309 direct quota posts vacant, 170 posts sent to AD for forwarding to HSSC, 35 posts of EBP/BCC withheld. Balance 104 posts to be filled in a phased manner. 82 promotional quota posts.
5	Group D	194	134	60	Diminishing cadre. To be outsourced.
6	Sub-total (Group C & D)	758	307	451	
7	Grand Total (Group A + B + C + D)	1059	487	580	
8	KMP Cell	39	–	34	5 posts utilized for promotion of IA staff.
9	Grand Total	1098	487	614	

The Corporation has hired 998 employees through outsourcing and 67 employees through contract. Out of the 67 contractual employees, 23 employees are retired employees.

1.1 Management: The art of getting things done from others-general perspective

Mary P. Follett defined management as “the art of getting things done through others”.¹ This definition calls attention to the fact that managers achieve organizational objectives by getting work from others and not

¹Follet, Mary P. (1918). *The New State* Gloucester, Mass: Peter Smith.

performing the tasks themselves. This in fact is the traditional view of management under which workers are treated as a factor of production only. They get wages for their labour and are not supposed to have social and psychological needs. This definition is considered incomplete in the present context. Its deficiencies are as follows:

- (i) Management is treated as an art. However, today, the management has also acquired the status of a science. Thus, management is both science and art.
- (ii) The above definition is vague, as it does not identify the functions, which a manager has to perform to get results from others.
- (iii) It gives the impression of the manipulative character of the practice of management.

Henry Fayol² has defined management as a process consisting of five functions. According to Fayol “To manage is to forecast and plan, to organize, to command, to co-ordinate and to control.” However, modern authors do not view co-ordination as a separate function of management. They consider it as the essence of managing.

In the words of George R. Terry, “Management is a distinct process consisting of activities of planning, organizing, actuating and controlling, performed to determine and accomplish stated objectives with the use of human beings and other resources.”³

What is Management?

Management strives for Low Resources Waste (high efficiency) High Goal Attainment (high effectiveness).

After understanding, what is management now comes the question what is an organization. An Organization Defined as A deliberate arrangement of people to accomplish some specific purpose; Common Characteristics of Organizations; Have a distinct purpose (goal); Composed of people and Have a deliberate structure.

²Fayol, Henry (1947). *General and Industrial Management*. Sir Isaac: Pritam & Sons, 6.

³Terry, George, R. and Franklin, Stephan, G. (1994). *Principles of Management*. Homewood, Illinois: Richard D. Irwin, Inc., 4.

1.2 Universality of Management

Management is needed at all levels in any type of organization either small or large, profitable or non-profitable and all organizational area like marketing; human resources; accounting; Information Systems etc.

1.3 Who are Managers and what's the role of Human resource officer?

Someone who works with and through other people by co-ordinating their work activities in order to accomplish organizational goals. He/she is responsible for formulating and designing of HR policies in compliance with labour laws and sees all HR related activities starting from hiring to firing of employees in an organization. The Human Resource Manager is responsible for overseeing human resources activities and policies according to executive level direction. They supervise human resources staff as well as control compensation and benefits, employee relations, staffing, training, safety, labour relations, and employment records as shown in the following Figure 1.1.

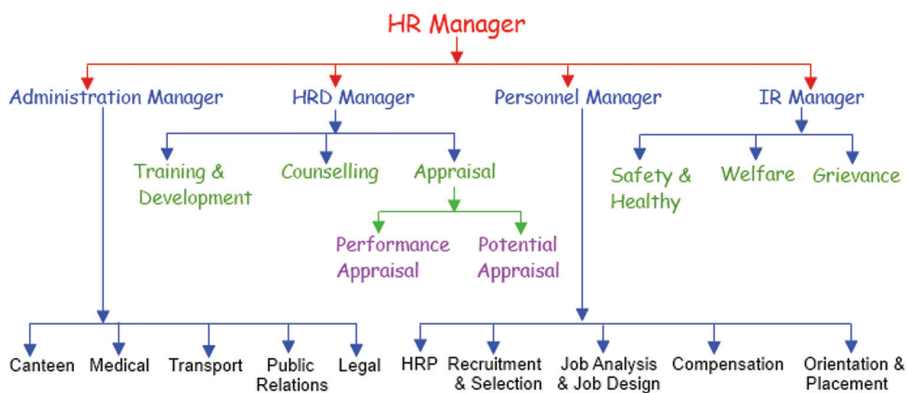


FIGURE 1.1 HR Manager

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