

**LITERATURE REVIEW STUDY: THE ROLE OF HUMAN RESOURCE
PLANNING (HRP) IN IMPROVING COMPANY PERFORMANCE****Putri Latifah Anum^{1*}, Ritha F Dalimunthe², Prihatin Lumbanraja³**^{1,2,3}Ilmu Manajemen, Universitas Sumatera Utara, Indonesia

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Abstrak

This research was conducted to find out the role of Human Resource Planning (HRP) in improving company performance. Human Resource Planning is a technique used to explore and organize potential, competencies, skills, talents, etc. Therefore, companies need Human Resource Planning to operate and maintain the company to continue to exist. The importance of Human Resource Planning in a company must be the main issue when a company wants to continue to exist and be sustainable because every company throughout the world needs good human resource planning so that it will affect the company's performance, in other words good Human Resource Planning will improve the company's performance.

Keywords: *Role; Human Resource Planning (HRP); and Company Performance*

1. Introduction

As the business sector becomes more complex day by day, companies need to have a plan to maintain the company. Corporate resilience is an important element in business for the expansion, development and expansion of any company regardless of its sector (Inimotimi & Okeah, 2024).

Moreover, in the current VUCA era, there is a lot of global competition that is very tight, and interconnected, complex and dynamic. It is very important for business organizations/companies to move away from traditional thinking and management to manage their internal resources and, simultaneously, their external environment (Al-Qudah et al., 2020).

Strategic planning is the core of the strategic management process and a managerial tool that enables an organization to deal with future events efficiently and effectively, providing it with greater control over resources and environmental changes.

Each group of companies has required companies to think about ways to maintain, improve and optimize their performance (Shahid Mahmood, Kamal bin Abdul Hamid, 2021). Companies around the world depend on their resources to be resilient. Employees are the most vital resource of all resources and without employees, companies will have difficulty achieving corporate resilience or resilience.

As research (Khan, Raziq, and Ghouri, 2019) emphasizes that any company without well-designed systems and unstructured human resource policies/practices risks poor employee performance.

A company's performance is also influenced by employees. Often, managers hire the wrong people and this means poor employee performance and ultimately organizational performance, hence the need for HRP (Izueke, 2019). For this reason, human resource planning is a very important issue in improving company performance. So this research is presented as a study review that good human resource planning will play a significant role in improving company performance.

2. Literature Review

a. Human Resource Planning

Human Resource Planning (HRP) can be defined as an effort to anticipate the future of an organization and to provide personnel to meet customer demands (Oyelade Oyekola Olukayode, 2023).

Human resource planning is the unique and most important human resource practice in an organization. Companies rely on abundant human resource planning to control their current position and future workforce needs.

HRP is used to replace aging or retiring employees who have specialized skills that they bring to the organization. The company will not leave the position vacant and thus eliminate the company. Therefore, HRP is used to ensure that their role is carried out in such a way that it does not interfere with company efficiency.

b. Company Performance

Company performance is a complete display of the company's condition over a certain period of time, a result or achievement that is influenced by the company's operational activities in utilizing the resources it has.

Meanwhile, according to (Bastian, 2001) company performance is an illustration of the level of achievement of the implementation of an organization's tasks in an effort to realize the goals, objectives, mission and vision of the organization.

3. Methodology

The research methodology used in the research is a systematic literature review (SLR), according to (Snyder, 2019), a literature review/SLR is a research methodology aimed at collecting and extracting the essence of previous research and analyzing several expert summaries written in the text. So in this research, researchers conducted 12 journal analyzes as material in analyzing problems, namely the role of Human Resource Planning (HRP) in improving company performance.

4. Results and Discussion

The following are the results of literature reviews from various journals conducted by researchers, namely:

- a. Research conducted by (Chakraborty & Biswas, 2020) with the title *"Articulating the value of human resource planning (HRP) activities in augmenting organizational performance toward a sustained competitive firm"*, suggests that HRP activities greatly determine company performance. HRP activities are sufficient to overcome HR problems that facilitate organizations to unite employee and business needs. This helps to adopt a long-term perspective to drive productivity, innovation and quality. Also encourage employees to believe in their competence to provide the best. These practices involve labor; coordinate their efforts to make meaningful contributions in this complex business network. Thus, HRP practices encourage completing challenging tasks, focusing on creative work-related projects, improving employee skills and morale to build strategic sustainability for the company. This research also reflects that HRP activities provide a platform that maximizes employee potential and willingness to adapt to the company's business strategy and translate strategic plans into action. Such practices have the ability to intensify positive aspects and ideas in an organization.
- b. Journal by (Kaur & Kaur, 2020) with the title *"Understanding the impact of human resource practices on employee competencies: evidence from Indian food processing industry"*, suggests that individual HRP is positively related to employee competency. Employees are the main consumers of HRP. The results suggest that the "resource" in RBV to gain a sustainable competitive advantage over other companies is skilled and knowledgeable employees. Corporate HR managers who want to achieve sustainable competitive advantage should focus on these procedures to improve employee skills. Because employee capabilities have become very important for improving company performance, this aligns the HR function with the strategic decision-making process. It can also force the top management level of the company to take HR related decisions during board level meetings for strategic business objectives. The results can be useful for bringing changes in the perspective of educational content and curriculum regarding the role of HRP in improving company performance by focusing on employee skills.
- c. A research journal by (Roh et al., 2020) with the title *"Analysis of national human resource development (NHRD) policies of 2016 in South Korea with implications"*, states that, First, the NHRD policy system is determined and implemented by each ministry currently risks hampering the validity and effectiveness of such policies. Second, the structure of NHRD policy implementation can cause similarities and redundancies between policies, thereby hampering policy efficiency. Third, it becomes problematic if NHRD policies focus on solving short-term problems and ignoring long-term problems.
- d. Journal by (Panjaitan et al., 2023) with the title *"The role of human resource management in improving employee performance in private companies"*, this journal

shows the results that human resource management has a good effect on employee performance. This is because human resource management has three main responsibilities, namely the administrative role, operational role and strategic role. Humans are the source of all company problems, therefore these three positions are very important for company management. Apart from these three functions, it is easier for businesses to implement regulations that will improve employee performance. By improving staff performance, the organization will obtain good results, namely its goals will be achieved effectively, efficiently and to the maximum extent possible. From the research results, the role of human resource management that is carried out well can lead to sustainable development of employee performance so that they can achieve the targets set each year according to the targets set by the company.

- e. A journal by (Abujraiban & Assaf, 2022) with the title *"Effect of Strategic Planning of Human Resources in Management Performance"*, states that strategic human resource planning with its dimensions (environmental variables, needs assessment, results handling, human resource plans) has an influence on project management performance with its dimensions (time, cost, safety, quality) for infrastructure companies in Jordan. This research also suggests that strategic human resource planning serves to attract and retain workers, if adequate amounts of human resources are available and, at the same time, appropriate skills enable them to work efficiently.
- f. Journal by (Wani & Ganaie, 2023) with the title *"Mapping the association of HRM practices with the performance of library staff through PLS-SEM: a case study of academic libraries"*, this research suggests a significant positive correlation between HRM practices and performance. Additionally, research results indicate that job satisfaction mediates the relationship between training and performance among library professionals in academic libraries. Research also suggests that employees play an important role in overcoming these problems in efforts to achieve sustainability because they are an integral element in organizations and a source of significant competitive advantage. This can be achieved through good human resource management, which includes determining performance indicators, teaching employees to empower them in achieving organizational goals and recognizing their achievements.
- g. Journal by (Trivedi & Srivastava, 2023) with the title *"Impact of strategic HR practices on innovation performance: examining the mediation of differentiation and cost-effectiveness"*, this journal states that strategic HR practices have a significant and positive influence on innovation performance and capability differentiation competitiveness and cost effectiveness. This study will help managers adopt appropriate HR practices to transform human resources to gain strategic competitive advantage for KISO. HRM policies and procedures provide economic benefits to companies when implemented in such a way as to support the competitive capabilities sought to compete for market rewards

and this research highlights the important role of SHRP in helping organizations achieve their strategic goals and generate social and economic growth.

- h. Journal by (Suhairi et al., 2023) with the title *"Human Resource Management Strategy In Maintaining And Improving Employee Performance"*, research results show that human resource (HR) managers must stay up-to-date with the strategies provided and stick to them. on theory to support the success of an organization or company.
- i. Journal by (James Gitari Muriithi, et, all, 2023) with the title *"Human Resource Planning Subsystem and Firm Performance of Listed Companies at the Nairobi Securities Exchange in Kenya"*, states that HR planning influences the performance of a company. The HR planning subsystem minimizes costs associated with succession planning or applicant tracking. This ensures the organization has the right number of employees in the right place at the right time, the HR planning subsystem identifies logical development paths and the steps necessary for advancement. It also connects employees to required positions and tracks their movements and makes better and faster decisions regarding successor ranks. It estimates the supply of human resources, identifies human resource requirements to achieve organizational goals. It identifies certain key positions and targets specific employees as potential successors. The HR planning subsystem continuously analyzes and matches human resource demands and estimates the organization's future human resource needs.
- j. Journal by (Oyelade Oyekola Olukayode, 2023) with the title *"the impact of human resource planning on organizational performance in banks"* this research found that the weighted mean was greater than the standard average. This implies that the extent of alignment of HRP with organizational performance in the Bank in Ibadan, Oyo state branch is high. Additionally, the weighted average is greater than the standard average. This implies that employee motivation has a high impact on organizational performance in the Bank, in Ibadan branch, Oyo state.
- k. Journal by (Al-Qudah et al., 2020) with the title *"The impact of strategic human resources planning on the organizational performance of public shareholding companies in Jordan"*, this research aims to identify the influence of strategic HRP on the performance of Jordanian public shareholding companies according to Managers' opinion, the results of this research indicate that the implementation of strategic HRP dimensions will increase overall organizational productivity, employee satisfaction and reputation, and reduce operational costs.
- l. Journal by (Winarno et al., 2022) with the title *"The link between perceived human resource practices, perceived organisational support and employee engagement: A mediation model for turnover intention"*. This research found that effective HRP

that meets employee needs has a direct and significant influence on increasing perceptions of organizational support and company performance.

- m. Journal by (Rusu, 2022) with the title *“Standardization of Entrepreneurship in the Concept of Human Resource Management in SMEs”*. This research defines strategic human resource management as an entrepreneurial strategy that views employees as an important tool to fully meet the goals set at the organizational level. This research highlights the fact that efficient human resource management is essential in new organizations, in order to compete in the dynamic business world and achieve high levels of entrepreneurial success. In other words, the special responsibility of human resource management can optimize entrepreneurship.

Based on the journals above, HRP strategic planning can have the following objectives:

- a. Improving company performance through proper workforce planning, employee development, and alignment with business strategy (Chakraborty & Biswas, 2020; Kaur & Kaur, 2020; Panjaitan et al., 2023; Abujraiban & Assaf, 2022; Trivedi & Srivastava, 2023; Al-Qudah et al., 2020).
- b. Achieving competitive advantage through developing employee competencies and organizational capabilities (Kaur & Kaur, 2020; Wani & Ganaie, 2023; Trivedi & Srivastava, 2023).
- c. Increase organizational effectiveness by minimizing costs, increasing productivity, and optimizing human resources (Roh et al., 2020; Abujraiban & Assaf, 2022; Trivedi & Srivastava, 2023)
- d. Supporting the achievement of organizational goals by ensuring the availability of the right human resources at the right time (James Gitari Muriithi, et, all, 2023; Oyelade Oyekola Olukayode, 2023).

Then effective HRP practices are:

- a. Accurate HR needs assessment and comprehensive workforce planning (Chakraborty & Biswas, 2020; Roh et al., 2020; James Gitari Muriithi, et, all, 2023).
- b. Employee development and training that focuses on increasing competency and capability (Kaur & Kaur, 2020; Wani & Ganaie, 2023; Trivedi & Srivastava, 2023).
- c. Sistem kompensasi dan benefit yang kompetitif dan adil untuk menarik dan mempertahankan talenta terbaik. (Panjaitan et al., 2023; Abujraiban & Assaf, 2022).
- d. Competitive and fair compensation and benefits system to attract and retain the best talent (Suhairi et al., 2023; Winarno et al., 2022)
- e. Positive and supportive organizational culture that encourages collaboration and innovation (Wani & Ganaie, 2023; Rusu, 2022).

5. Simpulan

HRP plays an important role in improving organizational performance and achieving competitive advantage. By implementing effective HRP practices, organizations can ensure the availability of appropriate human resources, increase employee competency, and create a positive work culture to achieve their strategic goals. As for the implications for companies with this research, the researcher stated that:

- a. HRP must be aligned with the company's overall business strategy.
- b. HRP must focus on developing employee competencies needed to achieve the company's strategic goals.
- c. HRP must be proactive in anticipating changes in HR needs in the future

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