



RESEARCH ARTICLE

HUMAN RESOURCE DEVELOPMENT PRACTICES: NEED & EFFECTS ON ORGANIZATION'S PERFORMANCE:-SPECIAL CASE REFERENCES OF BRASS INDUSTRY MORADABAD

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ABSTRACT

The study examines human resource development and its effects on organization performance. The quality of human resource available is a function of reliable and acceptable HRD department of brass industry that will improve productivity of the organization. This can only be achieved through an effective and efficient human resource development structure in the industry. To achieve the objective of the study, secondary data was used. The study found that job training, performance appraisal, career planning, reward and employee welfare was positively related to productivity of the brass organization. Based on these findings, and the implications for human resource development mechanism practice and recommendations were discussed.

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INTRODUCTION

There is a large and growing body of literature that shows a positive linkage between human resource development and performance. The emphasis on human resources in organizations reflects the view that market value depends less on tangible resources, but rather on intangible ones, particularly human resources. Recruiting and retaining the best employees, however, is only part of the human resources development framework.

Organizations also has to leverage the skills and capabilities of its employees by encouraging individuals learning and creating a supportive environment in which knowledge can be created, shared and applied to achieve goals of the organization. Through this study it was observed that employee attitudes and behaviors (including performance) reflect their perceptions and expectations, reciprocating the treatment that they receive from the organization. In their multilevel model linking human resource practices and employee reacting, it was noted that relationships revealing that human resources practices are significantly associated with employee perceptions and expectations. Therefore, the success of any organization in the contemporary business world depends on the quality of human resources available for the achievement of long term corporate goals. "Human resource being the most vital factor of production and labour productivity, a positive, forward looking, human resource development is a sine-qua-non for the efficiency and effectiveness of the organization. Organizations all over the world invest several millions on recruitment, selection, training and development, promotions, transfers and compensation of human resources for the performance of their respective organizations. Human beings as the active agents,

who accumulate wealth, exploit material resources, build social, economic and political organizations and carry forward national development. Clearly, a nation which is unable to develop the skills and knowledge of its people and to utilize them efficiently in the national economy will be unable to develop anything else. Human resource development is at the heart of employee acquisition, utilization, productivity, commitment, motivation and growth. Therefore, human resource development is the process of acquiring and increasing the number of persons who have education, skills and experience which are critical for economic and social development (Sharma, 2004). Solomon (2009) suggests that human resource development include investment by society in education, investment by employees in training and investment by individuals in time and money in their own development. This is also argued that human resource development improve the skill and knowledge base of organization members, a precursor of organizational development. According to Saraswathi (2010), human resource development in the organizational context is a process by which the employees of an organization are helped in a continuous, planned way to:

- Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles
- Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development processes
- Develop an organizational culture in which supervisor-subordinate relationships, team work and collaboration among sub units are strong and contribute to the professional well-being, motivation and the pride of employees.

- Therefore, the effect of human resource development on organizational performance has been extensively studied in the recent past. These studies have found a positive relationship between human resource development and firms' performance (Kuo, 2004; Jarventaus, 2007; Rizov and Croucher, 2008; Kundu and Malhan, 2007).
- However, Bhatti and Qureshi (2007) stated that one of the leading challenges in management has been implementing effective human resources development strategies to enhance performance.⁹ As a result of the emphasis on performance, researchers in human resource management have stressed effective human resource development strategies. Thus Luthans *et al.* (2010) made the submission that a resource-based view of an organization suggests that optimal use of human resource can be a key source of competitive advantage because it is so difficult for competitors to replicate. This resource-based view has led to considerable attention in human resource development focusing on evaluating the value and impact of human resources on performance.¹⁰ Therefore the objective of this study was to examine human resource development mechanism on the performance of the organization.

Objectives Of The Study

The core objective of this paper is to present the relationship between human resource development practices and brass organization's performance from the different point of view and also find out about the availability of discussion, appropriateness of discussion and adequacy of expected behaviors.

RESEARCH METHODOLOGY

This research article has been developed from descriptive secondary information searched by reviewing literature about Human Resource Development (HRD) practices and its effect on performance published in research journals in the form of research articles, research reports of various organizations and books of Human Resource Development practices and related with this topic.

Literature Review

Human resource development: Human resources being one of the important factors of production, therefore human resources development is needed to develop competences of employees.¹¹ According to Ahmad and Schroeder (2003), human resources are considered the most important asset of an organization. Human resource development involves all management decisions and practices that direct, affect or influence the human resource in the organization (Solkhe and Chaudhary, 2011). Human resource development mechanisms of training, performance appraisal and feedback, potential appraisal, career planning, rewards and employee welfare are fundamental for employee performance.

Job training

Training is one of the most important functions that directly

contribute to the development of human resources.¹² Training is a set of planned activities on the part of an organization to increase the job knowledge and skills or to modify the attitudes and social behavior of its members in ways consistent with the goals of the organization and the requirement of the job (Schmidt, 2007). According to Nwachukwu (2004), the objectives of training employees include increasing productivity, lower turnover, higher morale and promote goal congruency. Bartlett (2001) found a positive relationship between training and organizational commitment and recommended that human resource development professionals adapt new research methods to demonstrate to organizational decision makers that training and development contributes to desired workplace attitudes which may in turn influence behaviors such as absenteeism and turnover. Arago'n-Sa'nchez *et al.* (2003) and Lee and Bruvold (2003) stated that comprehensive training activities are positively associated to productivity, reduce staff intention to leave and organizational effectiveness. Rowden and Conine (2003) found that a large part of the workers sense of job satisfaction can be attributed to workplace learning opportunities. There are several different methods of training used in the workforce: learning principles and instructional techniques (Alvarez *et al.*, 2004); goal setting (Holton and Baldwin, 2000) and self management and decline anticipation strategy or policy (Batool and Batool, 2012). Therefore, organizations should prepare their training programmers ahead of time.

Rautalinko and Lipser (2004) claim that certain training programmers are designed to trigger specific reasons while others apply to general strengths and weaknesses of employees' before training. Two major types of trainings are off-job training which is conducted outside the office; and an on-job training which is conducted within the office environment. Successful and effective job trainings largely impact the productivity of employees during their present job.¹³ If employee feels well-trained, they automatically commit to the organization.

Performance appraisal and feedback

Performance appraisal consists of a framework of planned goals, standards and competence requirements and plays an important role in integrating the individual's needs with the organizational needs (Saraswathi, 2010). It is a formal management system that provides for the evaluation of the quality of an individual's performance in an organization (Yousef, 2000). Hussain-Ali and Opatha (2008) stated that performance appraisal is perceived degree to which performance appraisal system has attributes those are right for fair and accurate evaluation of employee job performance. They argue that the attributes comprise nine features such as PA Objectives; PA Policies; PA Criteria and Standard; PA Form and Procedure; Training of Appraisers; Feedback Discussion; Procedure for Ensuring Accurate Implementation; Make Decisions and Store them; and Review and Renewal. Ali and Akter (2011) stated that employee performance appraisal is subject of great interest in most organizations. There are several reasons behind this. First reason is performance appraisal decisions have effects and consequences on workers compensation and recognition (Bartol and Locke, 2000; Millward *et al.*, 2000). Second

important reason is, performance appraisal is important for the development of strategic human resources, which looks at employees as an organizational tool for an organization to survive in competitive and turbulent situations (Ahmad and Spice, 2000). Strong evidence shows that performance appraisal has positive association with performance. Hanley (2005) stated that developmental purpose of performance appraisal is more productive in influencing organizational performance. Brown and Heywood (2005) noted that performance appraisal system has positive association with improved productivity of organizations. Lee and Lee (2007) investigated that effective performance appraisal system improves productivity and quality.

Potential appraisal and career planning

In organizations that subscribe to human resource development, the potential of every employee is assessed periodically. Such assessment is used for developmental planning as well as for placement.¹⁴ Saraswathi (2010) say that in most Indian organizations, the normal practice is to promote people on the basis of past performance. She argues that most young executives coming to organizations are career minded, ambitious and looking for fast growth.

Reward and employee welfare

Rewarding employee performance and behavior is an important part of human resource development. Organizations with better learning, training and development systems, reward and recognition and information systems promoted human resource development. According to Mercer (2003), employees will stay if they are rewarded. Employees are usually rewarded based on quality based performance. A sense of accomplishment is recognized as important and as motivator. Armstrong (2001) linked reward and higher productivity in accordance with goals.

Mohamad *et al.* (2009) research found that incentives is positively related to organizational performance but did not moderate the relationship between both human resource development and organizational performance. employee welfare to the achievement of previously set targets which are designed to motivate people to be more productive to achieve high level of firm performance. Ian *et al.* (2004) concurred that rewards should be incorporated to organization strategies as seen as a technique which organization can apply in order to achieve

Performance

The relationship between human resource and performance is based on two theoretical strands. The first is the resource based perspective of the firm and the second is the expectancy theory of motivation which is composed of three elements: the valence or value attached to rewards; the instrumentality, or the belief that the employees will receive the reward upon reaching a certain level of performance; and the expectancy, the belief that the employee can actually achieve the performance level required (Stiles and Kulvisachana, 2005). Productivity is a performance measure encompassing both efficiency and effectiveness.¹⁵ It is important, therefore, to know who the productive workers are. Productivity is a

performance measure encompassing both efficiency and effectiveness (Bhatti and Qureshi, 2007). According to Rahimi and Vazifeh (2011), productivity is a measure of output from a production process, per unit of output. High performing, effective organizations have a culture that encourages employee involvement. Therefore, employees are more willing to get involved in decision- making, goal setting or problem solving activities, which subsequently result in higher employee performance. Encourage a more modern style of participatory management, raise employee and satisfaction and even lower workers' compensation rates. Noe *et al.* (2000) contended that human resource development shapes behavior, attitudes and performance of employees. Ramsey *et al.* (2000) study found that human resource and productivity are related. This is further supported by Horgan and Mohalu (2006) and Bashir and Khattak (2008) that some selected human resource development strategies are associated with better employee performance.

Empirical studies

Schmidt (2007) study of the relationship between satisfaction with workplace training and overall job satisfaction found a significant relationship. Hussain-Ali and Opatha (2008) study in Sri Lanka found that a significant and positive relationship exists between performance appraisal and perceived degree of business performance. Lopez *et al.* (2005) research in Spain show that high performance human resource practices have a positive effect on organizational learning, which in turn has a positive influence on business performance.

Batool and Batool (2012) study reveals a positive relation between training and development and competitive advantage. Shields and Wheatly (2002) in their study of Nurses in UK found the lack of job training opportunities has impact on employee job satisfaction. In another study in UK Jones *et al.* (2008) and Gazioglu and Tansel (2006) signify the positive role of job training on employee job satisfaction. Blum and Kaplan (2000) have also identified the positive link between opportunities to learn new skills and employee job satisfaction. Katou and Budhwar (2006) in their study of 178 Greek manufacturing firms found support with the universalistic model and reported that human resource management policies of recruitment, training, promotion, incentives, benefits, involvement and health and safety are positively related to organizational performance. Tessema and Soeters (2006) study of human resource and performance in Eritrea reported that successful implementation of human resource practices could enhance individual and the civil service organizational in Eritrea.

Tsai (2006) study of Taiwan reported that effective use of employee empowerment practices is positively related to organizational performance. Zheng *et al.* (2006) study of human resource practices and performance in 174 Chinese SME's and within performance base pay, participating decision making, free market selection and performance evaluation, only high-level employee commitment was identified as the key item outcome for enhancing performance. Paul and Anantharaman (2006) in their study of 35 Indian software companies determined. Developed and tested a causal model linking human resource management with performance thorough intervening process.

Findings

- This study shows that there is a positive relationship between job training, performance appraisal, career planning and reward and employee welfare and productivity of the organization.
- This study reveals that job training increase productivity and productivity increase the organization' performance.
- The results of this study conforms to the findings of prior research study that human resource mechanisms of job training, performance appraisal, career planning and reward and employee welfare positively and significantly affect the performance of employees.

CONCLUSION AND RECOMMENDATIONS

This study examined the human resource development mechanisms effect the productivity of the organization. The review of relevant literatures provides strong evidence of the relationship between human resource management practices and performance of employees. The findings of this study indicate that job training, performance appraisal, career planning and reward and employee welfare positively and significantly affect the productivity of the organization. The study highlights the relevance of human resource development practices to achieve and sustain employee performance in contemporary organizations.

The result of the study is consistent with the findings of Bjorkman and Xiucheng (2002) study of human resource management practices on western firm performance and found a positive relationship between human resource management practices and performance; Bartel (2000) that examined the impact of human resource management practices on performance in Canada and found a significantly positive relationship between human resource management practice and performance; Wright *et al.* (2005) investigated the effect of human resource management practices on firms' performance in 45 business units in America and Canada and found a causal relationship between human resource management practices and business performance; and Green *et al.* (2006) study revealed that integrated approach to human resource management practices exhibited satisfied and committed employees who demonstrated remarkable individual and team performance. The study therefore recommends among others that organizations should pursue a strategic and purposive human resource development practices that will improve the quality of human resource in their respective organizations. Organization should see investment on human capital as the only means of improving the performance and productivity of employees.

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