

Employee Development and Its Affect on Employee Performance A Conceptual Framework

Abdul Hameed

Aamer Waheed

Lecturer

Management Sciences, COMSATS Institute of Information Technology

Park Road, Islamabad, Pakistan

E-mail: abdulhameed@comsats.edu.pk

Abstract

Employee is a key element of the organization. The success or failure of the organization depends on employee performance. Therefore, organizations are investing huge amount of money on employee development. This paper analyzes the theoretical framework & models related to employee development and its affect on employee performance. The key variables identifies related to employee development and Employee performance. The further discussion develops a proposed model which explains the relationship between employee development variables (employee learning, skill growth, self directed, employee attitude) and employee performance variable. The employee performance will affect on organizational effectiveness. The paper is divided into three parts. The introductory part provides brief overview related to employee development and its affect on employee performance. The second part analyzes the views and studies of the past researchers related to employee development and employee performance. In the end, paper presents the proposed model along with the discussion and conclusion.

Keywords: Employee development, employee performance, organizational effectiveness.

Introduction

Employee Development is one of the most important functions of Human Resource Management. Employee development means to develop the abilities of an individual employee and organization as a whole so; hence employee development consists of individual or employee and overall growth of the employee as when employees of the organization would develop the organization, organization would be more flourished and the employee performance would increase (Elena P. 2000). Therefore, there is a direct relationship between Employee Development and Employee Performance. As when employees would be more developed, they would be more satisfied with the job, more committed with the job and the performance would be increased. When employee performance would increase, this will lead to the organization effectiveness (Champathes, 2006).

Importance of Employee Development Activities

Employee development activities are very important for the employees, as the activities are performed, it indicates that organization cares about their employees and wants them to develop (Elena P. 2000). Many of the organizations are investing in employee development. When organizations are contributing towards the employee development activities, the employees work hard; utilize their full skills and efforts to achieve the goals of the organizations.

There are many schools of thoughts. One school of thought says that employee development focus on:

1. Self Development
2. Self Directed Learning

This concept indicates that employee development must be recognized by the employees who want to learn or who are willing to learn. When employees are willing to learn, they show their interest in the developmental activities, as a result they are more satisfied with the job which will lead to increase in employee performance (Elena P. 2000). Employee development also depends upon the individual employee, how much curiosity to learn.

- How much curiosity to learn an individual employee?
- How to learn to develop themselves?

As when individual employee wants to learn, he would learn more and more, he would participate in many other activities such as attend seminars, workshops and others training sessions, either on the job or off the job. This indeed would lead to employee development, and employee development would lead to increase in employee performance.

No matter how much expertise does a person have if person or employee is not willing to develop? No matter how much resources you provide employee would not developed. So employee development is also a personal responsibility of the employees. Employees at all levels are involved in the developmental activities whether the upper level employees, middle or lower level employees (Antonacopoulou 1996).

Challenges in Employee Development

As employee development depends upon the individual employee whether employee is willing to participate or not. Employee development also depends upon the organization culture, attitude of top management, and limited opportunities of promotion. (Elena P. 2000; Antonacopoulou 1996).

Organization Culture: - If organization culture supports employees, it will encourage employees to participate in decision making then employees would more develop and performance would increase.

Attitude of Top Management: - Top Management attitude is another important factor that influences on employee developmental activities. It depends on the sincerity and commitment of the top management.

Limited Opportunities of Promotion: - If opportunities of promotion are limited then employees would not participate in the employee developmental activities.

Developmental Activities

Coaching

Coaching is an important activity for the employee development. Coaching is not formal. It involves treating employees as a personal partner in achieving both personal and organizational goals. Therefore, we can solve personal problems of the employees by providing coaching (Agarwal, 2006). When problems are resolved, this lead to increase in organizational performance as employees would be able to achieve organizational goals.

360 Degree Feedback and Developmental centers'

360 degree feedback and development centers are preplanned and are based on prior defined assessment criteria. As developmental centers' are present in the organization or there are many developmental centers outside the organization and are very important as they provide training to the individual employee (Hazucha, 1993). How to be developed and employees can only be developed if they have a desire or motivation to be developed.

Developmental Appraisal

Developmental appraisal is an ongoing process for the employee development during the whole year. Basically, it is a compulsory part of the Performance management. This appraisal will determine the weak area of employee where employee development is required in order to improve the employee performance (Kirkpatrick, 2006).

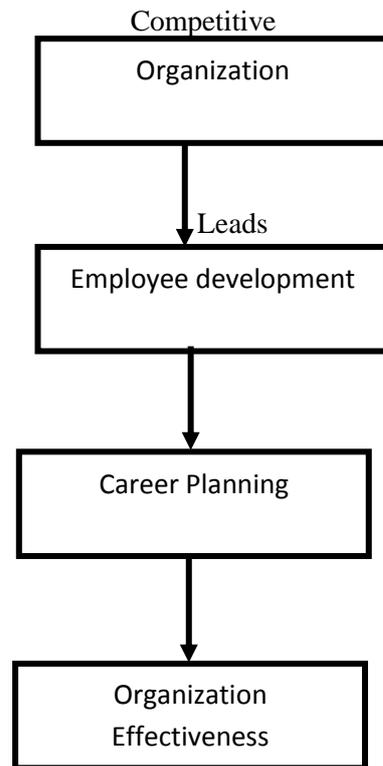
Investment in Perceived Developmental Activities of the Employees

The investment in perceived developmental activities of the employee are important in order to increase the employee performance. As investment in perceived developmental activities also provide the organization as a competitive advantage (Chay et al., 2003).

Competitive Advantage

Most of the organizations do not consider the employee developmental activities of much value. They only focus on achieving the goals of the organization. They do not care about the development of employees. So, if organizations would focus on employee developmental activities, this would help in enhancing the skills of the employees (Chay et al., 2003).

As skills enhanced, they would be able to develop career their own realistic career plan and thus lead to increase the organizational effectiveness.



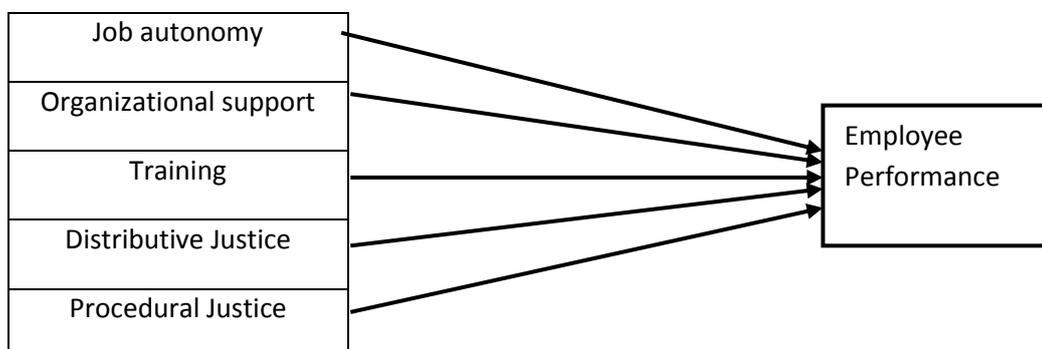
Source: Chay Hoon Lee and Norman T. Bruvold, (2003). ‘Creating value for employees: investment in employee development, Int. J. of Human Resource Management Vol.14 No. 6 p 981–1000.

HR Practices on Employee Performance

A large number of researchers have forwarded following classical theories (Husselid, Pfeffer, 1994; Arthur 1994). There are five major practices which affect on employee performance

- Job autonomy
- Organizational support
- Training
- Distributive justice
- Procedural Justice

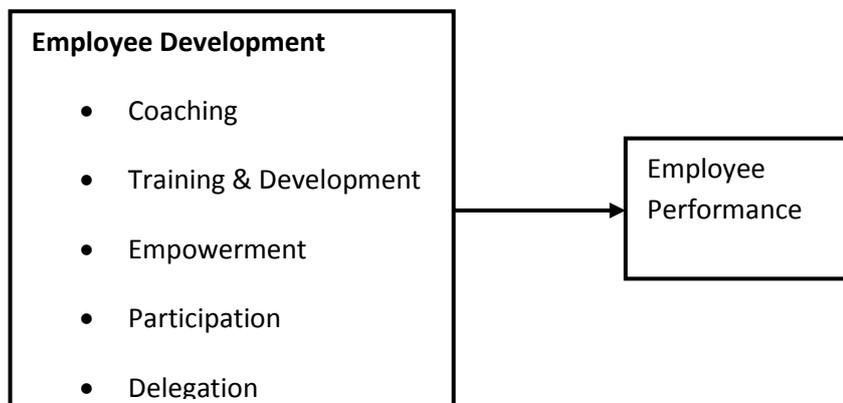
Five Major Practices



Source: Hazucha, J., Hezlett, S. and Schneider, R. (1993), “The impact of 360-degree feedback on management skills development”, Human Resource Management, Vol. 32 No. 2, pp. 325-51.

Employee development is becoming an increasingly critical and strategic imperative for organizations in the current business environment (Sheri-lynn, Parbudyal 2007). Following five variables of employee development will affect on employee performance

- Coaching
- Training and development
- Empowerment
- Participation
- Delegation



Coaching

Individuals are allowed to take the responsibility. They are treated as a partner to achieve personal and organizational goals. As goals are achieved, the performance is enhanced (Agarwal, 2006).

Training and Development

Training is the permanent change in behavior. Employee should be taught how to do a particular task? Development is a long term process (Leibowitz, 1981).

Empowerment

Empowerment means to increase the capacity of the employee and also provide freedom of work which will build the confidence among the employees.

Participation

By letting employees participating in organizations policies or decision making can lead the employee to enhance the performance. They will be able to make more smart decisions.

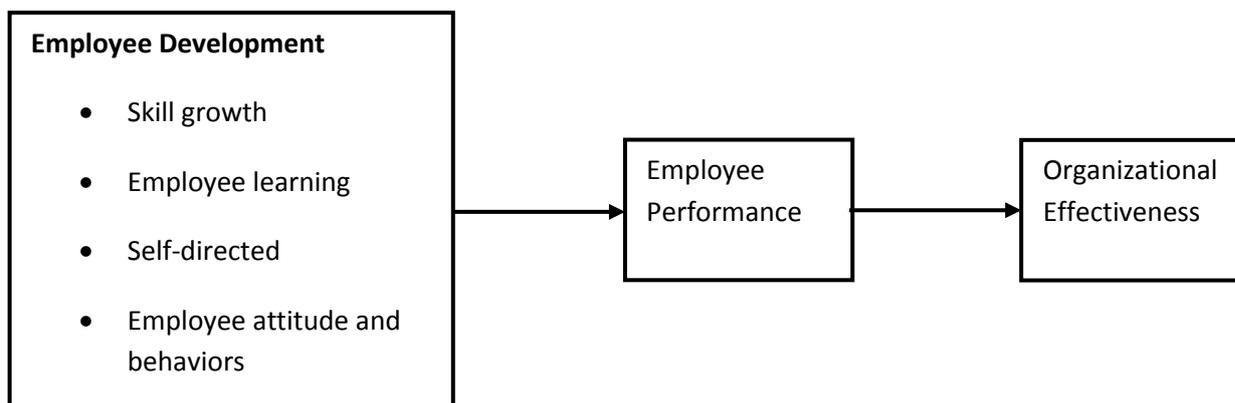
Delegation

If managers delegate authority to the employees to perform the task, what they want can also lead to enhance performance. Employees will do those activities which they can perform more easily. This will lead to achieve organizational goals and thus enhance organizational performance (effectiveness).

Proposed Model (Self made)

The propose model is devise in the light of literature review of past researchers conducted in different studies related to employee development and employee performance. The propose model is self made and explains the relationship between employee development and employee performance. Employee performance is a dependent variable and Employee development is independent variable. Employee development variable is operationalized by the following sub variables;

- Employee Learning
- Skill Growth
- Self Directed
- Employee attitude and behavior



Proposed Model: Employee Development and Its affect on employee development

Employee Performance means employee productivity and output as a result of employee development. Employee performance will ultimately affect the organizational effectiveness.

Employee Learning

Employee learning explains the process of acquiring knowledge through curiosity to learn. It is a mind-set who has anxiety to get information. Employee learning will increase the abilities and competency of the employee (Dixon 1999). The abilities and competencies are helpful in employee performance and productivity.

Skill Growth

It means to increase in the skill inventory level of an employee. The skill growth is possible through training and coaching. The skill level will affect on the employee performance. Employee performance will affect the organizational effectiveness.

Self Directed

Employee development also depends upon the individual employee, how much curiosity to learn.

- How much curiosity to learn an individual employee?
- How to learn to develop themselves?

As when individual employee wants to learn, he would learn more and more, he would participate in many other activities such as attend seminars, workshops and others training sessions, either on the job or off the job. This indeed would lead to employee development, and employee development would lead to increase in employee performance (Elena P. 2000).

Employee Attitude and Behavior

Employee attitude and behavior refers to the responsiveness of an employee. When employee is nominated in different workshops, and training sessions, the employee attitude and behavior will determine the seriousness in training and development programs. The responsive employee will learn different skills which will increase the employee performance. Employee performance will affect the organizational productivity.

Employee Performance

Employee Performance means employee productivity and output as a result of employee development. Employee performance will ultimately affect the organizational effectiveness.

Organizational Effectiveness

Organizational effectiveness refers to the achievement of overall organizational goals (Milkovich et al, 2004). Employee development leads to employee performance. Individual Performance of an employee will lead to the organizational effectiveness.

Conclusion

Employee is a valuable resource (asset) of the organization. The success or failure of the organization depends on employee performance. Therefore, organizations are investing huge amount of money on employee development. The paper examines and investigates the literature review on employee development and its affect on employee performance. The key variables identifies related to employee development and Employee performance. The paper presents the importance of the employee developmental activities, importance of investment in a human capital, and challenges in employee development. The further discussion develops a proposed model which explains the relationship between employee development variables (employee learning, skill growth, self directed, employee attitude) and employee performance variable. The employee performance will affect on organizational effectiveness.

References

- Antonacopoulou, E.P. and FitzGerald, L. (1996). 'Reframing competency in management development: a critique', *Human Resource Management Journal*, Vol. 6 No. 1, pp. 27-48.
- Agarwal, R., C. M. Angst and M. Magni (2006). 'The performance effects of coaching: A multilevel analysis using hierarchical linear modeling, Robert H. Smith School of Business Research Paper Series.
- Abbas Q. and Yaqoob S., (2009). 'Effect of Leadership Development on Employee Performance in Pakistan' *Pakistan Economic and Social Review*, Volume 47, No. 2, pp. 269-292.
- Burgoyne, J. (1977), ``Self-development, managerial success and effectiveness: some empirical evidence'', *MEAD Journal*, Vol. 8 No.2, pp. 16-20.
- Champathes, M. R. (2006), Coaching for performance improvement: The coach model. *Development and Learning in Organizations*, Volume 20, No. 2, pp.17-18.

- Chay Hoon Lee and Norman T. Bruvold, (2003). 'Creating value for employees: investment in employee development, *Int. J. of Human Resource Management* Vol.14 No. 6 p 981–1000.
- Collins, D. and Holton, E.F. (2004), "The effectiveness of managerial leadership development programs: a meta analysis of studies from 1982 to 2001", *Human Resource Development Quarterly*, Vol. 15 No. 2, pp. 217-48.
- David Preece, and Paul Iles, (2009). 'Executive development Assuaging uncertainties through joining a leadership academy' *Journal of Personnel Review*, Vol. 38 No. 3, pp. 286-306 Emerald Group Publishing Limited.
- Dixon, N. M., (1999). 'The organizational Learning Cycle: How we can Learn Collectively'. Second Edition (4), Gower p. 63-91.
- Elena P. Antonacopoulou, (2000). ' Employee development through self-development in three retail banks' *Journal of Personnel Review*, Vol. 29 No. 4, pp. 491-508.
- Ellingeic, A. D., A. F. Ellinger and S. B. Keller (2003), Supervisory Coaching Behaviour, Employee Satisfaction, and Warehouse Employee Performance: A Dyadic Perspective in the Distribution Industry. *Human Resource Development Quarterly*, Volume 14, Issue 4, pp. 435-458.
- Fisher, D. Merron, K. and Corbert, W. (1987), ``Human development and managerial effectiveness'', *Group and Organisational Studies*, Vol. 12 No. 3, pp. 257-73.
- Hazucha, J., Hezlett, S. and Schneider, R. (1993), "The impact of 360-degree feedback on management skills development", *Human Resource Management*, Vol. 32 No. 2, pp. 325-51.
- Huselid, M.A. (1995) 'The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance', *Academy of Management Journal*, 38: 635–72.
- Hwang, S. A. (2003), Training strategies in the management of knowledge. *Journal of Knowledge Management*, Volume 7, No. 3, pp. 92-104.
- Kirkpatrick, D. L. (2006), *Improving Employee Performance Through Appraisal and Coaching*. American Management Association Publication.
- Leibowitz, Z. and Schlossberg, N. (1981). 'Training managers for their role in a career development system', *Training and Development Journal*, p 72-79.
- Milkovich, George T. and John W. Boudreau (2004). 'The Changing Definition of Organizational Effectiveness,' *Journal of Human Resource Planning*, Vol. 27.1, 2004. p. 53-59.
- Mwita, J. I. (2000), Performance management model: A system-based approach to system quality. *The International Journal of Public Sector Management*, Volume 13, No. 1, pp. 19-37.
- Noe, R. A. and Wilk, S. L. (1993). 'Investigation of the factors that influence employees participation in development activities', *Journal of Applied Psychology*, 78, 291-302.
- Raymond A. Noe, (1996). Is Career Management Related to Employee Development and Performance? *Journal of Organizational Behavior*, Vol. 17, No. 2, pp. 119-133.
- Stumpf, S. A. and Colarelli, S. M. (1980). 'Career exploration: Development of dimensions and some preliminary findings', *Psychological Reports*, 47, 979-988.