

Strategy of Human Resource Development Toward Performance

Eny Lestari Widarni

STIEKN Jaya Negara Malang, Jl. Anjasmoro No. 22, 65144 Malang, East Java, Indonesia

Abstract: This research is explanatory research that tests hypotheses about the relationship of human resource development to the employee performance. Tests carried out using correlation analysis that describes a causal relationship between the variables of human resource development to the employee performance. This study used survey methods, interview and questionnaire as the main data collection tool was tested by validity and reliability test. From the test results and test the assumptions of classical correlation with simple regression analysis, there are known significant effects between; human resource development on employee performance at manufacturing company in East Java.

Key words: Human resource development, employees performance, manufacturing company, classical correlation, variables, causal relationship

INTRODUCTION

Turmoil and environmental changes are reflected in the globalization of markets; rapid technological development, demographic changes and socio-cultural changes have caused a drastic change and affect various aspects of the lives of people around the world. Similarly, inevitable turmoil and change will affect an organization's ability to compete and to survive.

That ability will be greatly determined by the quality of its human resources in addition to natural resources and technology. Even lately, HR is seen as an element that was crucial in the development process, especially in developing countries including Indonesia.

With so many demands for human resources is fast, then the conditions faced by many businesses manufacturing, especially in the scope of human resources is the lack of professionalism, the amount of corruption, salary levels are inadequate, employees were less creative and innovative as well as the service provided to the public or consumers are far from expectation.

The picture provided the impetus for the company to make changes in human resources. From the standpoint of the organization directly, the development of a person in the workplace can help him to be more competent to do his job. This will further increase their productivity and the productivity of the organization.

Development of existing staff is far cheaper than recruiting and educating new employees. Investing in people and the development would reduce the operating costs of the organization and generate greater customer satisfaction. The simple answer to the question why

training and workforce development should be developed is if the company does not develop then the company will lose employees.

For coaching and human resource development required a certain strategy so, that the desired results could be achieved. The first thing that can be done by the company in the implementation of the strategy through the eyes of management strategy is to strengthen the resources of the company. There are three main resources that are owned by companies such as tangible assets, intangible assets and organizational capabilities. Organizational capability is a merger of assets, labor and work processes. One of the critical success factors of the company is the performance and productivity of employees. Any organization or agency in implementing programs aimed always useful to achieve the company's goals. While the notion of performance (performance) by Mathis and Jackson (2006), the performance is essentially what is done or not done though employees. Performance by Robbins and Coulter (2010) is the research of individuals or groups in achieving the goals set in accordance with the organization of a predetermined time period.

Improvement of performance can be done by through the implementation of human resource development. Because as is known, the strategy of human resource development is an attempt to improve the ability of employees in relation to the economic activities that can help employees in understanding a practical knowledge and its application to improve skills, skills and attitudes needed organization in achieving its goals is also adapted to the demands of the research to be performed by an employee. That certainly requires commitment and

consistency of human resources staff involvement bigger so, it will support human resources competence in managing business organizations that survive. The strategy for the development of labor is felt more and more important in a company because of the demands of the job or position. This can be done by improving the skills and knowledge of labor embodied in various real forms for example; the provision of training, conducting seminars, provision of vocational training and others.

Therefore, there is a direct relationship between employee or human resource 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).

The statement above proven by some studies on the relationship of performance and human resource development have been conducted in many years, among others are Birdi *et al.* (2008), Wood and Menezes (2008), Hameed and waheed (2011). There are factors associated with human resource development which are assumed to have an effect on the employee's performance as posited by Gomez-Mejia *et al.* (1998) namely the recruitment process, managing dismissal (mutations) proficiency assessment, rewards (job promotions) compensation; training and development (Yang and Lin, 2009).

Based on the description above, the research problem that arises is as follows. Is human resource development has an influence on employee performance of manufacturing company in East Java?

This study was conducted to answer the research problem above. Specifically, this study aims to determine whether or not a significant relationship between the development of the human resources to employee performance.

Literature review

Human resource development: The development is an attempt to improve the technical skills, conceptual and morale of employees in accordance with the needs of job or position through education and training (Hasibuan, 2009). "Development is an effort to improve technical skills, theoretical, conceptual and morale of employees in accordance with the needs of the job/position through education and training". So, Watkins (1991) defines the human resource development as "the field of study and practice responsible for the fostering of a long-term, work-related learning capacity at the individual, group and organizational level of the

organizations. The organization needs to enhance individual's capacity to learn to help groups overcome barriers and to help in creation a culture which promotes continuous learning". Meanwhile, Sutrisno (2009) argues that; "human resource development is the process of preparation of individuals to shoulder different responsibilities within the organization or higher, usually associated with increased intellectual ability to do the job better. Lead to the development of learning opportunities designed to assist the development of the workers". According to Hasibuan (2009) that; "the development refers to the problem of staff and personnel is a long-term educational process using a systematic and organized procedure by which managers learn conceptual and theoretical knowledge for general purposes".

Meanwhile, HR development can be stated as Employee development which is can manifest itself in many forms of training, evaluation, educational program, and even feedback. If executed correctly, the effects of training on employee performance can often encourage growth within the worker and the organization itself (Katcher and Snyder, 2003).

According to the all above definition can be concluded strategy of human resource development is an attempt to improve the ability of employees in relation to the economic activities that can help employees in understanding a practical knowledge and its application to improve skills, skills and attitudes needed organization in achieving its goals is also adjusted with the demands of the research to be performed by an employee.

According to Mangkunegara and Prabu (2009) that the factors to be considered in the training and development are as follows:

- Difference of individual employees
- Relationship with the rank analysis
- Motivation
- Active participation
- Selection of participants upgrading
- Method of training and development

Employee performance: According to Mathis and Jackson (2006), the performance is essentially what is done or not done though employees. Employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets (Kinicki and Kreitner, 2007). Performance by Robbins and Coulter (2010) is the reseach of individuals or groups in achieving the goals set in accordance with the organization of a predetermined time period.

According to Wibowo (2010) says: “the performance as a management style that is basically open communication between managers and employees regarding goal setting, feedback from managers to employees and vice versa from employees to managers as well as performance assessment.

To determine the performance of employees in carrying out the tasks which are the responsibility of the employee, it is necessary to evaluate the performance of employees. The performance assessment aims to assess how well the employee has carried out her research and what they need to do to be better in the future. This is accomplished by referring to the content of the research they do and what they hope to achieve every aspect of their work. The contents of a work is a permanent basis for the formulation of targets to be achieved from a major task which can be formulated as a target quantity, the standard performance of a specific task or project to be completed (Veithzal and Basri, 2005).

Wibowo (2010) formulated their seven performance factors that affect the performance and formulated by the acronym achieve:

- A-Ability (knowledge and skill)
- C-Clarity (understanding or role perception)
- H-Help (organizational support)
- I-Incentive (motivation or willingness)
- E-Evaluation (coaching and performance feedback)
- V-Validity (valid and legal personnel practices)
- E-Environment (environmental fit)

The human resources are considered as the most important asset for an organization. It is likely known as a valuable stock which is difficult to imitate whereas other resources such as equipment and advanced technology or physical facilities may be bought and copied by competitors. Both act as supporting resources and are not sustainable competitive in the long run. Thus, the organizations must equip the employees with skills and knowledge and for the government it needs to conduct regular training and development as a compulsory option. The question arisen is Is human resource development has an influence on employee performance of the manufacturing company in East Java?. There are factors of human resource's influence on the performance that need to be analyzed. Figure 1 sheds light on the conceptual framework of this study.

Hypothesis: Based on the above conceptual framework, the proposed hypothesis is; “the elements of human resources development consist of difference of individual employees, relationship with the rank analysis,

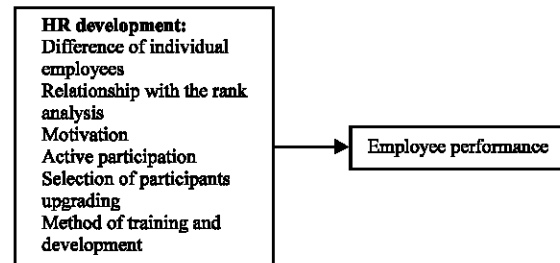


Fig. 1: Conceptual framework

Motivation, active participation, selection of participants upgrading, method of training and development have a considerable effect on employee performance.

MATERIALS AND METHODS

Research design: Research design essentially refers to the strategy or plan of shaping the research that include the entire process of research from conceptualizing a problem to writing the research question, data collection, analysis, interpretation and report writing. The descriptive research will be doing in this research. Descriptive research did not fit neatly with definitions of quantitative or qualitative research methodology but it can utilize both elements often within same study.

Research instrument: The study is based on descriptive methods so the findings of the study should not be used in order to determine cause-effect relationship. The research will conducted using a descriptive method. The questionnaire is chosen as data collection instrument. The questionnaire included variety of question on the human resource development and employee performance in manufacturer company. The study also uses the interview approach in order to collect the data. Interview is also an alternative method in collecting the data survey. Using the interview in study will obtain information and opinions from experts at early stages of the study. To test data is using reliability and validity which need to follow the important principles.

Research subject (population and sample): The study focused on the manufacturer company, namely East Java. The population for the study will be cover managers and employee who research in the organization of manufacturer company in East Java. The data gathering involved a cross-sectional survey which was conducted with a national sample of the organization of manufacturer company in East Java. An introductory letter and a questionnaire were sent to the CEO of a population of 60 the employee of manufacturer company in East

Java. The researchers offered to provide a summary of research findings as an incentive. The questionnaire was pre-tested with senior management from the organization of manufacturer company in East Java. The goals of the pre-test were to assess clarity of questions, determine the length of time required for completion and examine the appropriateness of the subject matter for the population of interest. Based on this feedback the questionnaire was modified and some items were eliminated, others changed and some added.

Measurement scales: The majority of scales used to measure the constructs were drawn from relevant literature in the field with fewer adaptations to a manufacturer company context. After selecting the suitable measurement scales from the literature, face validity was addressed with a panel of experts who tried to identify potential problems in their application. All variables in the second part of the questionnaire were closed-ended five-point scales which is known as Likert scale with 1 indicating “strongly disagree” and 5 indicating “strongly agree”.

RESULTS AND DISCUSSION

To determine the closeness between the variables of human resource development and performance of employees used the product moment correlation coefficient with the tool SPSS as follows.

According to Table 1, correlation value (+0.192) means that number shown that there is a significant positive effect and very low among the variables of human resource development to employee performance.

Coefficient of determination: To determine the influence of human resource development (independent variable) on employee performance (the dependent variable) used determinant coefficient equation as follows:

$$\begin{aligned} KP &= r^2 \times 100\% \\ &= 0.192^2 \times 100\% \\ &= 0.036864 \times 100\% \\ &= 0.036864\% \end{aligned}$$

From these results, it can be seen that the contribution of human resources development variables on employee performance is 0.036864%. In other words, development of human resources that contribute to employee performance is 0.036864% and the remaining 99.963% is influenced by other factors not examined.

Table 1: Correlation

Parameters	HR development	Employee performance
HR development		
Pearson correlation	1	0.192
Sig. 92-tailed)		0.141
N	60	60
Employee performance		
Pearson correlation	0.192	1
Sig. 92-tailed)	0.141	
N	60	60

Correlation is significant at the 0.01 level (2-tailed)

Testing the hypothesis: To determine whether there is a relationship of human resource development to employee performance then testing the hypothesis as follows:

- $H_0: \rho = 0$: there is no relationship between the development of human resources to employee performance at the manufacturing company in East Java
- $H_a: \rho \neq 0$: there is a relationship between human resource development on the performance of employees at a manufacturing company in East Java

Calculations continued to test the hypothesis of two sides (two-tail test) to determine the significance of these correlations using the t test equation as follows:

$$\begin{aligned} t &= \frac{r\sqrt{n-2}}{\sqrt{1-r^2}} \\ t &= \frac{0.192\sqrt{60-2}}{\sqrt{1-0.192^2}} \\ t &= \frac{1.462}{0.981} \\ &= 1.490 \end{aligned}$$

From these results obtained t-amounted to 1.490 while t-table with authenticity level (dk) $n-2$ or $60-2 = 58$ with an error rate of 2% of the obtained t-table 1.296. Thus t-amounted ($1.490 > 1.296$), it can be seen that H_a accepted and H_0 rejected.

After the researches conducted research on the Influence of human resource development on employee performance on a manufacturing company in East Java, it can be stated as follows.

Development of human resources in a manufacturing company in East Java based on the results of the study respondents on all indicators of motivation and active participation is very amenable, the individual differences of employees, relationships with job analysis, selection of participants upgrading, training and development methods are agreed. So that, all indicators regarding human resource development are researched and averaged is located on the line scale which means

244.6 respondents answered agree. Total will support the success of human resource development activities at a manufacturing company in East Java.

The performance of employees at a manufacturing company in East Java based on the results of the study respondents are very amenable to answer indicator of ability, clarity, help, validity, environmental. Agreed to the respondent's answer regarding incentive indicators evaluation, so than all of the answers that averaged 252.11 in the range scale, meaning that respondents to the variable performance of employees is very amenable. Total will support the successful performance activity of employees at manufacturing company in East Java.

The results of correlation analysis can be obtained relationship between human resource development to employee performance on the body of personnel and training is 0.192 which means the correlation is low. The coefficient of determination is 0.036864%. In other words, the contribution of human resources development to performance is 0.036864% and the remaining 99.963% is influenced by other factors not examined.

So, from the above description and based on the results of research and discussion descriptive analysis, it can be stated that the research states there is real influence between the variables of human resource development to performance. This means that if the role of human resource development is increased then the existing performance will increase. And conversely, if the role of the human resource development decreased eat will impact on the employee's performance will also decrease. Development should continue to be created and sustained either through the provision of training or education to every employee. This is done in order that employees do not feel shocked and easy to adjust; the training and education provided must also be adapted to the demands of jobs which will be performed by an employee. Company leaders must always provide motivation and full support to all employees and maintain the consistency of the application of human resource development and if possible the company should be able to add a few new things related to the implementation of human resource development. Companies also need to pay serious attention to the behavior of employees for all issues relating to the application needs of human resource development, both by providing facilities for the training and education activities that will support the creation of the smooth execution of research.

CONCLUSION

From the results described above, the writer tries to give conclusions and suggestions that may be useful

include: from the recapitulation of the total indicator on human resources development respondents strongly agree that there are the indicators; motivation and active participation. Respondents agree on the indicators: individual differences of employees, relationships with job analysis, selection of participants upgrading, training and development methods. In order to maintain their human resource development at manufacturing company in East Java.

From the recapitulation of indicators on the performance of employees total respondents strongly agree that there are the indicators; ability, clarity, help and validity, environmental. Respondents agreed on indicators; incentive, evaluation, then the manufacturing company in East Java are required to act more in-depth for all indicators of incentive and evaluation in order to further improve the performance of employees to the level of strongly agree.

From the results of the correlation between the developments of human resources to employee performance at the manufacturing company in East Java that is 0.192 which means very low, thus manufacturing company in East Java is necessary to make efforts to improve employee performance.

REFERENCES

- Birdi, K., C. Clegg, M. Patterson, A. Robinson and C.B. Stride *et al.*, 2008. The impact of human resource and operational management practices on company productivity: A longitudinal study. *Personnel Psychol.*, 61: 467-501.
- Champathes, M.R., 2006. Coaching for performance improvement: The COACH model. *Dev. Learn. Organiz. Intl. J.*, 20: 17-18.
- Gomez-Mejia, L.R., D.B. Balkin and R.L. Cardy, 1998. *Managing Human Resources*. 2nd Edn., Prentice-Hall, Upper Saddle River, New Jersey, USA., ISBN:0132709430, Pages: 586.
- Hameed, A. and A. Waheed, 2011. Employee development and its affect on employee performance a conceptual framework. *Intl. J. Bus. Soc. Sci.*, 2: 224-229.
- Hasibuan, M.S.P., 2009. [Human Resource Management]. Bumi Aksara, Jakarta, Indonesian, (In Indonesian).
- Katcher, S. and T. Snyder, 2003. *Organisational Commitment*. Atomic Dog Publishing, Inc., Cincinnati, Ohio, USA.,
- Kinicki, A. and R. Kreitner, 2007. *Organizational Behavior*. 7th Edn., McGraw-Hill, New York, USA., ISBN:9780073224350, Pages: 808.
- Mangkunegara, A.A. and A. Prabu, 2009. [Evaluation of Human Resource Performance]. Refika Aditama. PT, Bandung, Indonesia, (In Indonesian).

- Mathis, L.R. and J.H. Jackson, 2006. Human Resource Management. 10th Edn., Thompson Educational Publishing, Inc., Toronto, Ontario.
- Robbins, S., and M. Coulter, 2010. Management. Prentice Hall, New Jersey, USA.,.
- Sutrisno, E., 2009. [Human Resource Management]. Kencana, Jakarta, Indonesia, (In Indonesian).
- Veithzal, R. and A.F.M. Basri, 2005. Performance Appraisal. Raja Grafindo Persada PT, Jakarta, Indonesia.
- Watkins, K.E., 1991. Many voices: Defining human resource development from different disciplines. *Adult Educ. Q.*, 41: 241-255.
- Wibowo, 2010. [Work Management]. 3rd Edn., Rajawali Pers, Jakarta, Indonesia, (In Indonesian).
- Wood, S. and L.M.D. Menezes, 2008. Comparing perspectives on high involvement management and organizational performance across the British economy. *Intl. J. Hum. Resour. Manage.*, 19: 639-683.
- Yang, C.C. and C.Y.Y. Lin, 2009. Does intellectual capital mediate the relationship between HRM and organizational performance? Perspective of a healthcare industry in Taiwan. *Intl. J. Hum. Resour. Manage.*, 20: 1965-1984.