

## **EMPLOYEE DEVELOPMENT AND ITS AFFECT ON THEIR PERFORMANCE**

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### **ABSTRACT**

Employee as we know is a very important asset for any organization. The success or failure of the organization largely depends on employee performance. Therefore, organizations are investing huge amount of money on employee development. This paper analyzes the theoretical framework and 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. Some of the methods which are used in management for the development of employee to improve their 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.

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### **Introduction**

Employee development is vital in maintaining and developing the capabilities of both individual employees and the organization as a whole. A central premise in perceived investment in employee development (PIED) is that it creates conditions where employees believe that their organizations value their contribution and care about their employability. 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. PIED facilitates greater obligation by employees towards the organization and, in turn, a willingness by employees to work hard to increase the organization's effectiveness (Arthur, 1994; Woods and de Menezes, 1998). Moreover, given the rapid changes that are taking place in workplaces, organizations in many parts of the world are re-examining their employees' need for continuous development of skills (Useem, 1993). 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.

### **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.

**Stages of Employee Development**

Everyone goes through several stages of development as they move from being a career "beginner" to a full expert in their field. Each stage has specific needs and tasks to consider. As you work with employees on development, it can be helpful to look at their stage in order to find the best kind of activities for them. Keep in mind that the stages do not relate to age. If an employee has recently completed a career change, he or she is probably in the "exploration and trial" stage. If, on the other hand, he or she has burned out on his or her career, he or she might be in "disengagement" even though chronologically he or she might be in his or her early thirties in age.

**Stages in a Job or Career**

Stage	Characteristics	Needs	Tasks
<b>Exploration and Trial</b>	Work with regular guidance Work is routine, detailed	Learn to ask for help Learn to take initiative	Develop self-image in the job Becomes a " "
<b>Establishment and Advancement</b>	Has own area of responsibility Work independently Independence and specialization	Build a reputation Learn to work independently Produce significant results	Accept organizational realities Learn how to cope Deal with change or lack of it Learn how to get ahead
<b>Mid Career: Growth, Maintenance, Decline</b>	Responsible for guiding others Use great breadth of technical skill to support organization	Feel disappointment if goals are not achieved Learn to help others	Develop others through knowledge Serve as mentor
<b>Disengagement</b>	Use experience to provide direction for the organization Influence decisions	Prepare psychologically for retirement Learn to accept a different role	Learn to let go Achieve balance in life

## **Adapted from the work of Donald Super 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**

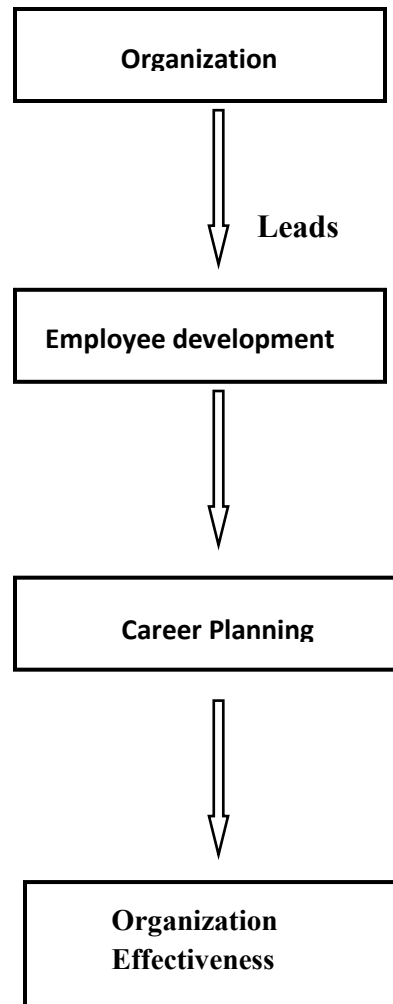
The investment in perceived developmental activities of the employee are important in order to increase the employee performance. As investment in perceived developmental activities also provide the organization as a competitive advantage (Chay et al., 2003).

### **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.

## Competitive



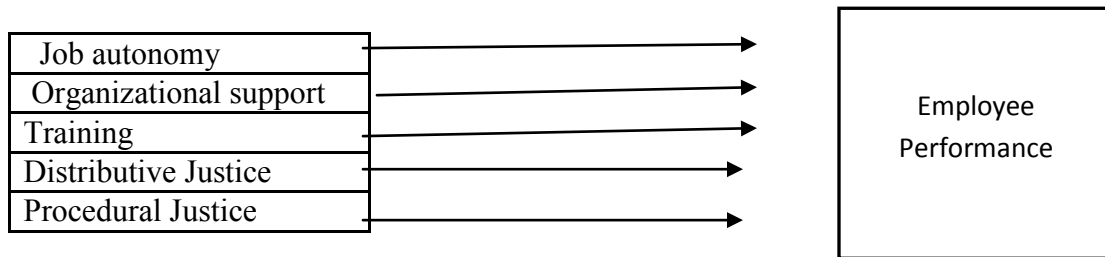
**Source:** Chay Hoon Lee and Norman T. Bruvold, (2003). „Creating value for employees: investment in employee development, *Int. J. of Human Resource Management* Vol.14 No. 6 p 981–1000.

### 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

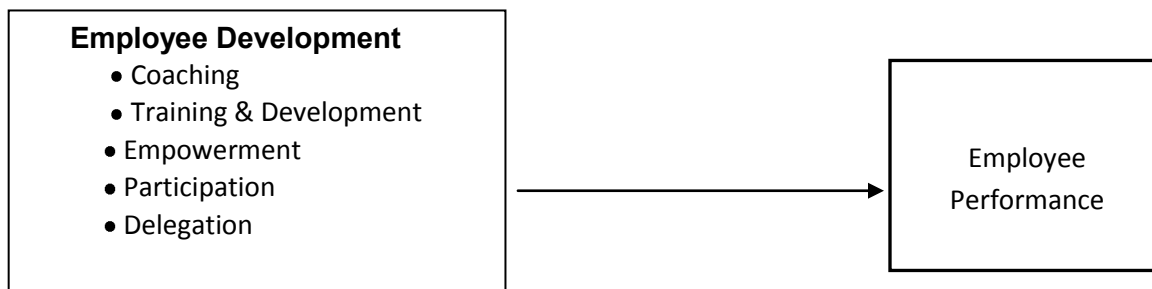
- ❖ Job autonomy
- ❖ Organizational support
- ❖ Training
- ❖ Distributive justice
- ❖ Procedural Justice

### 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.

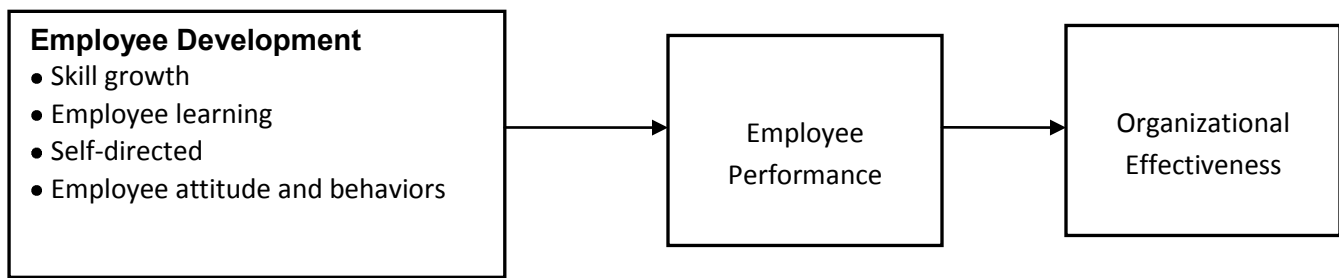
**Participation** By letting employees participating in organizations policies or decision making can lead the employee to enhance the performance. They will be able to make more smart decisions.

**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.

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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.

### **The Role of the Employee**

Some things that the employee should consider in their own development include seeking a variety of assignments, tackling tough problems and asking for feedback. Coaching is another helpful activity, both in looking for opportunities to coach others and finding good coaches for him or herself. It can help to ask for feedback when working with a variety of people and in a variety of situations. Employees should be looking for developmental relationships that can provide a variety of learning. They can also identify goals for new skills and abilities and then look for ways to meet those goals. It can also be helpful to attend classes and workshops to fill in conceptual needs.

While employee development is critical to the success of an organization, both the employee and the organization must recognize that most of the responsibility for development falls to the employee.

Some things the employee should have and consider when beginning work towards development:

- Specific goals; identify goals for new skills and look for ways to meet those goals
- Energy to make the development possible
- A variety of work assignments
- Asking for feedback
- Opportunities to coach others and finding good coaches for him or herself
- Developmental relationships that provide a variety of learning

### **Resources for Employees**

Employee Career Services offers courses and individual consulting to help employees find their career interests, identify goals, and develop plans for reaching those goals.

**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 employee performance will affect on organizational effectiveness. Employee development is an ongoing



process and organization should focus on it ,not only the organization but also the employee should also take self interest for their own development. Ultimately it's the employee development that will lead to the development of the organization.

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