Outcomes of Human Resource Development Interventions

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Abstract: Problem statement: In Malaysia, Human Resource Development (HRD) plays an important role in the economic development of the country. Despite government policies encouraging the implementation of HRD activities, as well as the substantial infrastructural and financial support provided, the benefits or outcomes of the HRD activities being implemented and provided to employees have not been examined. The aim of this study was to examine the outcomes of HRD interventions using the fundamental aspects of HRD’s definitions. Approach: This study utilised a mixed method approach, combining questionnaire surveys and interviews with HR practitioners. Results: The findings suggested that HRD programs and activities being implemented and provided to employees in manufacturing firms in Malaysia generate individual and team development as well as work process improvement, but do not support HRD strategic planning for organizational change. Conclusion/Recommendations: This study implied that HRD programs and activities implemented had not been strategically planned and aligned with organizational goals and objectives. The limitations of the study and recommendations for further research were discussed.

Key words: Outcomes of HRD, individual development, work process improvement, organizational change

INTRODUCTION

In Malaysia, human resource development plays an important role in the economic development of the country. Since the inception of the Third Outline Perspective Plan (OPP3), one of the objectives of which was to build a knowledge-based workforce[29], the task of developing human resources has been an important part of the country’s HRD agenda. The target of development is particularly focused towards the development of human resources in the manufacturing sector, which accounts for one third of the labour force in Malaysia. Moreover, manufacturing accounts for one third of the GDP and more than 70% of the country’s exports and contributes significantly towards the country’s economic growth[30]. Indeed, it has been suggested that HRD enables productivity growth in the Asia Pacific region to be sustained or increased[34].

The legislation on HRD has been implemented under the HRD Act 1992. Under this Act, employers are to contribute 1% of the total annual gross salary to HRD funds to be utilized for human resources’ training and development activities. Moreover, infrastructural and financial support are also provided, as well as other incentives such as tax exemption for exports[31]. Earlier reports of HRD in manufacturing firms in Malaysia have indicated that HRD has been aggressively implemented[24]. However, despite government policies encouraging the implementation of HRD programs and activities, as well as the substantial infrastructural and financial support provided, the returns or effects of the HRD activities being implemented and provided to employees have not been empirically documented. It is thus important to examine and identify outcomes of HRD interventions, particularly the results of training and learning for individual, team and work process improvement and organizational change.

Literature Review: Outcomes of HRD interventions: There have been several arguments about the variety of HRD outcomes, ranging from the reconciliation of the many definitions and purposes of HRD to the outputs of training and learning provided to human resources, from individual development to performance and organization development[6,22,32,56]. Furthermore, it is believed that training and development of the individual employee would enhance the work process and organizational performance to achieve organizational effectiveness[39,50]. In this context, it is advocated that the ultimate outcome of HRD interventions is performance focused at the levels of individuals and groups, work processes and organizations[17,20,21].

Individual and team development: At the outset, the purpose of HRD was suggested by most theorists to be
the development of the individual employee[37,57]. Indeed, the process commonly associated with individual development is ‘training’[37,38]. However, it has been argued that individual development is much broader than ‘training’[21]. Therefore, development of the individual employee is concerned with providing education and learning, rather than merely training for the main purpose of performance improvement[18,62,37]. As a matter of fact, it has been advocated that the centrality of HRD is to change the individual employee’s behaviour, improve skills and competencies and enhance performances[3,4,17,35,37,46]. However, individual changes may not be effective if individual employees do not negotiate and concur their character to learning and change[23]. Nevertheless, training provided to employees can also increase morale and motivation and improve working relationships through the development of groups and teams[26,55], but this may not occur without support and commitment from peers and subordinates. Indeed, evidence in the literature has indicated that teambuilding processes and training programs can help to improve interpersonal relationships between individuals, groups, departments, peers and managers within an organization. This is because members of the group are made to understand the impact of team working, which can reduce the potential for misunderstanding and conflicts between colleagues[11,28]. Furthermore, it has been claimed that team working has a positive impact on employees’ skills, knowledge and performance[11] and also that training approaches that involve self-directed work teams can increase productivity and performance improvement at the work process level[17,46]. Indeed, training and development can enhance individual and team development, but the extent of training provided and its effectiveness in terms of organization development require further empirical evidence, particularly in the context of individual countries.

Work process improvement: Another outcome of HRD interventions is work process improvement and innovation. This is endorsed[21], who posited that effective work processes and systems play a major role in improving performance. However, Deming[16] believed that 90% of the problems in organizations were a result of deficiencies in their systems or work processes. As a result, most organizations around the globe are seen to emphasise quality, innovation and productivity[60,65]. In this respect, many organizations are seen to adopt performance improvement activities such as total quality and quality circles[17]. Sullivan[54] further claimed that quality-related training activities have been critical in transforming marginal manufacturing plants into successful companies. Moreover, due to the increased pressure from globalisation, technological developments and stiff business competition[13-15,65] organizations are seen to be adopting innovative strategies to improve performance and productivity[59]. As a result, evidence in the literature has shown that employers are increasingly aware that employees require sufficient training and development to cope with these changes in the business environment, particularly given the rapid advancement in information and technology[32,41,64]. Moreover, it has been argued that workplace relationships are also transforming because of new technology and competition in the marketplace[42,43]. However, the question of whether employees are provided with sufficient training to cope with these changes requires further empirical evidence.

Strategic planning for organization development and change: With the transformation of technology, the competitive business environment and also changes in workforce requirements, organizations are required to adapt and change in order to be innovative[20,41,42,44,61]. Indeed, it has been suggested that planning for the future is a critical strategy[55] and adopting a strategically focused approach to training and development can support the effectiveness of organizational development and change[40]. However, the concepts of culture, values and beliefs have to be considered in planning and strategizing for organizational change[12,55]. On this basis, Rothwell et al[45] claimed that changes in an organization may not unfold as expected or negative change may occur if strategic planning is not adopted and this may also affect organizations’ work processes and performance improvement. However, the extent of strategic planning in HR or in HRD has always been a matter of debate and further empirical evidence is required.

MATERIALS AND METHODS

Research design: This study is part of a larger investigation of HRD practices in manufacturing firms in Malaysia. A concurrent mixed-method approach using both quantitative and qualitative methodologies was utilized. The particular methods used were structured questionnaires and semi-structured interviews. These multiple methods were used to enhance the validity of the findings reported[10].

Methods and sampling: The structured questionnaire was administered to all practitioners in 2,350
manufacturing firms in Malaysia via post and email, with a response rate of 16.5%. A sample of 38 HR practitioners was selected to participate in the interviews to represent the five regions in Malaysia. Using convenience sampling, HR practitioners who were directly involved or in charge of HRD or employee training and development activities were sampled. The samples were selected based on their willingness to participate in the interview after invitation letters were distributed.

**Data analysis:** The questionnaire data was analysed statistically using descriptive analysis, in which the outcomes of HRD interventions were factor analysed. The means and standard deviations were subsequently calculated and t-tests were performed. Meanwhile, the interviews data were subjected to content analysis to identify key themes and categories.

**RESULTS**

In order to investigate outcomes of HRD interventions, the mean scores for all items examined were computed using one-sample t-tests and significant differences were found between all ten items. The results of the principal component analysis revealed that three factors could be extracted and these three factors explained a total of 43.95% of the variance. The first factor was comprised of items relating to performance and work process improvement, whilst Factor 2 was made up of items relating to strategic planning for organizational change. Finally, Factor 3 consisted of items related to individual and team development.

The mean scores for performance and work process improvement (mean = 3.35, SD = 0.865), strategic planning for organizational change (mean = 2.06, SD = 0.996) and individual and team development (mean = 3.13, SD = 0.920) were all significantly different from each other (p<0.001). Moreover, the analysis indicated that these three outcomes of HRD are significantly different (p = 0.000) between large scale industries (LSIs) and small and medium scale industries (SMIs).

**Individual and team development:** About 81% of the HRD practitioners in the LSIs agreed that HRD activities implemented in their organizations could increase their employees' commitment and motivation towards their jobs and improve interpersonal and interdepartmental relations. On the other hand, 54% of the HRD practitioners in the SMIs also agreed that these developments were beneficial. Indeed, the managers interviewed reported that employees were provided with training activities and teambuilding programs to increase their commitment and motivation as well as improve interpersonal and interdepartmental relationships. For instance, as reiterated by the managers interviewed:

- “We have yearly teambuilding training and also a positive research attitude training program for our workers …but because we don’t have enough manpower to evaluate and follow-up, employees’ motivation can only last one to two weeks….after that, they’re back to the old style again…” (HR and administration manager; concrete and cement; LSI)
- “…we send our employees for training and they are excited after a training program, especially outdoor teambuilding. But we don’t know how to maintain the momentum of training excitement ……” (HR and administration manager; chemicals and petroleum; SMI)

On the other hand, HRD practitioners in the SMIs (52%) and LSIs (81%) agreed that training relating to technological change and changes in products or services provided their employees with opportunities to learn new skills and knowledge in order to cope with these technological changes as well as with modern management approaches.

**Performance and work process improvement:** Examining the level of improvement in work processes will indicate the performance improvement of the individuals and teams. HRD interventions are reported to improve employees’ capabilities on the job, productivity and efficiency, as well as enhancing the quality of goods and services. For instance, more than 80% of the HRD practitioners from the large scale industries indicated that training provided to their employees increased productivity and efficiency, particularly in their production lines. This is similar to findings by[65], who claimed that companies were emphasizing quality, innovation and productivity. The increase in productivity and efficiency appeared to have been caused by performance improvement activities such as Total Quality Management (TQM) and Quality Circles (QC), which were emphasized by the International Standards of Operation (ISO).

Sociotechnical system interventions (comprised of TQM, QC and the Self-Directed Research Teams training approach) have been used by companies since the 1970s, as they are designed to increase productivity and performance improvement[17]. This is confirmed by the interview findings, as illustrated below:
organizational effectiveness and organizational performance to achieve enhancing personal development and work processes providing training and development activities, thus HRD is to develop the individual employee by implemented to enhance and change the organization respectively agreed that HRD interventions were 8% of the HRD practitioners in the LSIs and the SMIs these manufacturing companies. Only some 26% and organizations’ cultural change is not a high priority in On the other hand, training and development for plans directly suggests the absence of plans for HRD interventions; thus, the absence of formal HRD companies studied failed to formulate formal plans for change with HRD interventions, as in the case of this study, may affect the change process as well as leading to ineffective planning for organizational development. As a matter of fact, about 82% of the manufacturing companies studied failed to formulate formal plans for HRD interventions; thus, the absence of formal HRD plans directly suggests the absence of plans for organizational development.

On the other hand, training and development for organizations’ cultural change is not a high priority in these manufacturing companies. Only some 26% and 8% of the HRD practitioners in the LSIs and the SMIs respectively agreed that HRD interventions were implemented to enhance and change the organizational culture.

DISCUSSION

Most theorists suggest that the general purpose of HRD is to develop the individual employee by providing training and development activities, thus enhancing personal development and work processes and organizational performance to achieve organizational effectiveness. Indeed, the central role of HRD was to benefit individuals, groups and organizations. However, development and change have to be embedded within an individual before progressing into teams and organizations.

Indeed, Schein stressed that change in an organization always involves changing the individual and is first focused on individual development. The findings in this study implied that team working can exert a positive impact on employees’ skills, knowledge and performance. However, with the lack of evaluation, follow-up and continuous learning, attempts to maintain employees’ commitment and motivation towards their jobs can be ineffective. As such, the impact of these training activities on team working and change may only be short-term, unless supported by continuous learning and development.

Moreover, pressure from increasing competition, technological developments and globalisation has led these organisations to become more aware of the need to provide employees with training to enable them to cope with technological changes. Therefore, given organisations’ emphasis on the competitive business environment and technological change, employees provided with training benefited from the HRD initiatives, with subsequent individual development.

Outcomes of HRD interventions can also be seen through work process improvement, as it is the individuals or groups who are working on these processes. Overall, the analysis indicates that HRD interventions can contribute to performance improvement and outputs in the work process carried out by individuals and teams. In this case, performance improvements focused on employees’ capabilities to carry out the job, improve the quality of goods with process improvement strategies and hence increase productivity and efficiency. These manufacturing companies in Malaysia were observed to be optimistic about change, particularly at the work process level. This is because most of their training plans and policies were dependent on the ISO policy, which emphasizes quality and productivity. Furthermore, there is an increasing demand for high performance and an emphasis on performance improvement, particularly in work processes and production in manufacturing companies. Indeed, Sullivan claimed that training activities and other initiatives associated with total quality management have been critical in transforming marginal manufacturing plants into successful companies.

HRD interventions evidently can contribute to individual and team development as well as to performance and work process improvement, but
strategic planning for organizational change is rather weak. The findings suggested a large majority of the HRD practitioners did not agree that HRD interventions were planned to change the organization’s culture. Therefore, no matter how effective HRD interventions may be, they are not able to change the organizational culture by themselves. Various theorists have argued that changing organizational culture involves a complex process of replacing the existing way of human thinking, taking into consideration the current set of values and beliefs as well as the system of learning within an organization.

CONCLUSION

This study, conducted in manufacturing firms in Malaysia, suggests that outcomes of HRD interventions generally focus on individual and team development and on improvements to work processes. However, the intended outcomes of HRD interventions with regard to strategic planning for organizational change are not achievable. The intended outcomes of HRD interventions, as argued by scholars and researchers in defining HRD, are individual and team development and work process improvement, supporting the strategic planning of human resources for organizational improvement and change. However, the findings of this study suggest that the HRD interventions implemented in manufacturing firms in Malaysia only support individual and team development and work process improvement. This implies that HRD interventions in manufacturing firms are not strategically planned and aligned with the overall organizational goals and objectives. Secondly, even when HRD is strategically planned, the intended outcomes of HRD interventions are not able to support human resources’ strategic alignment, implying that the HRD programs and activities provided are superficial and not comprehensive. Hence, HR practitioners need to understand the importance of providing human resources with training and development activities and to ensure that the activities provided are measured and evaluated to assess whether they meet the objectives set for each activity.

Limitations and recommendations for further research: There are several limitations to this research, which should be highlighted. First, data on the outcomes of HRD interventions were derived from a larger study of HRD practices in manufacturing firms in Malaysia. Therefore, the data may not be comprehensive and rigorous, even though a mixed-methodology approach was utilised. This may be due to the lack of rigour in the questionnaire survey and interviews, as it is only a part of a bigger research project. A stand-alone study on the outcomes of HRD programs and activities provided to human resources should be conducted to provide more detailed and comprehensive data.

A second limitation of this study is that the outcomes of HRD interventions were conceptualised on the basis of an analysis of numerous definitions of HRD. HRD outcomes in this study are intended or theoretical outcomes, rather than HR practitioners’ perceptions or practical outcomes of HRD interventions in manufacturing firms. Hence, it is recommended that a study should be conducted to examine HR practitioners’ perceptions of the outcomes of the HRD programs and activities being implemented and provided to employees. An examination of the actual practical outcomes of the HRD being provided to employees is also recommended.

Finally, the third limitation is related to the scope of research. As this study is confined to manufacturing firms in Malaysia, the findings cannot be generalised to outcomes of HRD interventions in a wider context in Malaysia. In order to generalise the findings holistically, an investigation that covers a wider selection of industries in both the private and public sector in Malaysia is suggested.

REFERENCES


