

Human Resource Development Mechanisms and Organizational Performance: Measuring a Causal Link

Umer Shareef Sheikh

Research Scholar,
Department of Commerce,
Aligarh Muslim University

Abstract

A good research base asserts that effective performance is more often driven by organizational environment, size, design, strong organizational cultures, good management practices, effective communication networks, and also by rules and regulation, procedures and pay scales. However, a very sparse and scant research is available that has investigated the effects of a particular system or process or set of mechanisms on the performance of an organization. This particular research is therefore, intended to study HRD in relation to performance. It is aimed at creating a measurable link between HRD systems and performance of an organization. The underlying consideration is that since human resources in any organization occupies a pivotal place and are considered as the primary source of competitive advantage, it becomes inevitably important from managerial as well as research point of view to judge the viability of existing HRD systems within organizations and the impact such systems have on overall performance. Two hundred and eighty five (285) employees working in ten selected district hospitals of Kashmir actively took part in research. The analysis of responses revealed positive influences of various HRD mechanisms on the overall performance of the organizations under study. Accordingly, it is concluded that any significant change in the existing structure of HRD in hospitals would respond significantly by way of performance

Keywords: Human Resource Development, HRD mechanisms, Performance appraisal, training, employee welfare, organization development, feedback and counseling, organizational performance.

Introduction

The impact of human resource policies and practices on organizational effectiveness has always been an important topic of discussion in the fields of HRM, industrial and organization psychology (Kleiner, 1990; Jones & Wright, 1992). A growing contention among HR professionals and academics is that organizational human resource policies can, if properly configured, provide a direct and economically significant contribution to a firm's performance. Moreover, the existing literature renders substantial evidence that individual human resource practices, as well as internally consistent systems or bundles of HR system, can indeed directly influence organizational performance (Russell et al., 1985; Terpstra & Rozell, 1993; Arthur, 1994; Kocharn & Osterman, 1994; Pfeffer, 1995; Osterman, 1994; MacDuffie, 1995).

Over the past few decades, a plenty of research has been conducted both within specific industries as well as across industries to demonstrate that enormous economic returns were obtained through the implementation of high involvement, high performance or high commitment management practices. Table 1.1 provides a brief recount of few such studies carried out by the researchers with a view to explore the HR-performance linkages. The relationships have clearly been established. From finding a positive relationship between HRD and performance to emphasizing that people are the strategy (Waterman, 1995) the vital role of human resource in any organization's success has been well researched, established and acknowledged. (Refer table 1.1 here.)

Human resources are now seen as a source of competitive advantage (Barney, 1991) and the success of any organizations therefore, depends to a large extent, on how well these resources are maintained. Grant (1996), Teece (1998), and, Teece et al., (1997) suggested that sustainability of advantage can reasonably be anticipated if a firm is able to continuously identify, upgrade, rejuvenate and reinvent valuable resources and has the ability to create an environment in which they can be self-reinforcing and enhancing in value and strength, thus causing the imitating firms sustain major cost disadvantages. While, Barney (1991) asserted that if the existing resources are not renewed in conjunction with changing environmental conditions, the strength of a firm's original strategic assets may soon be nullified by the changing competitive profiles. Therefore, sustainability of competitive advantage does not only depend on the nature of resource bundles but at the same time, also on the firm's ability to renew, reallocate, rejuvenate and redefine its resources to help them to cope with the changing business environment. Consequently, making it very essential on the part of organizations to ensure effective personnel policies and sound HRD mechanisms, which are self-reinforcing and self-enhancing in value and strength.

Purpose of the study

The purpose of this particular research is to study human resource development in relation to performance. It is assumed that there is statistically significant impact of various HRD mechanisms on the performance of an organization.

Human Resource Development Mechanisms

Researchers have suggested several ways as to how organizations can maintain high commitment and high performance among employees and ultimately organization effectiveness (Burack & Morgan, 1994). Such exhaustive suggestions included; promoting the organizations credibility with employees; encouraging the use of participative management and employee involvement

programmes; focusing on high achievement mutual trust and commitment; and developing a combined group entrepreneurial approach to management, thereby creating an organizational culture in which individual employees are encouraged to be adaptive, competitive and successful. A firm that develops a sound selection system and has attractive HR programs such as higher than normal compensation packages and numerous development opportunities, can attract, select and maintain the highest quality resource pool (Wright et.al., 1994). Similarly, developing a good system of reward, communication, effective training programmes and socialization that encourage employees to act in the interest of the firm may add more to the value of the firm (Schuler & McMillan, 1984). Therefore, in essence, developing human resource assumes immense importance in the eyes of management of any organization that strives hard to achieve and sustain excellence through its work force.

The aim of HRD system is to develop the capabilities of each employee as an individual in relation to his or her present job and future roles, dyadic relationship, team spirit and collaboration among different units of the organization, and the overall health and self-renewing capabilities, which, in turn, increase the enabling capabilities of individuals, dyads, teams, and the entire organization. Subsequently, to achieve such objectives, HRD systems may include various process mechanisms or sub-systems which include performance appraisal, potential appraisal and development, feedback and performance counseling, career planning, training, organization development, rewards, employee welfare and quality work life. The current study is intended to study many of these systems as indicators of organizational performance.

Organizational Performance

The essence of the concept of organizational performance lies in exploring whether the organization has done well in carrying and discharging its administrative and operational functions pursuant to its mission and whether the agency actually produces the actions and outputs pursuant to its mission or the institutional mandate (Kim, 2005) and whether the internal management and operations have contributed substantially to the achievement of these goals (Rainey & Steinbauer, 1999). However, there has always been a lack of consensus as to what constitutes a valid set of organizational performance and organizational effectiveness criteria (Au, 1996; Forbes, 1998; Ostroff, 1992). Although many researchers relied on a single indicator, there seems to be a general agreement that multiple internal (preferred by internal participants) and external (preferred by clients and citizens) criteria are needed for a more comprehensive evaluation of organizations (Cameron, 1986; Connolly, Conlon & Deutsch, 1980). Brewer and Selden (2000) opined that

previous researcher were concerned only about traditional financial efficiency-related measures of performance and neglected other values such as equity and fairness. Such traditional financial accounting measures of performance like return on investment and earnings per share can produce misleading conclusions about organizational effectiveness (Kaplan & Norton, 1992; Judge, 1994). The authors (Brewer & Selden) further argued that researchers establishing their own meanings of organizational effectiveness and set arbitrary indicators, should rather ask, 'effectiveness from whose perspective'.

Brewer and Selden (2000) proposed a measure of organizational performance based on the perceptions of the

organization's members. They maintained the basic assumption of organizational psychology that organizations and individuals are interdependent (Pfeffer & Salancik, 1978). However, found less attention being paid to the bases upon which members of the organization assesses its effectiveness. They classified the dimensions of organizational performance in the public sector into internal and external performance, and each specifies the following performance-related values: efficiency, effectiveness, and fairness. The present study uses the same perceptual model to measure the performance of public health care sector of Kashmir. Organizational performance is assumed to be affected by HRD mechanisms.

Fig. 1

Administrative Values

		Efficiency	Effectiveness	Fairness
Organizational Focus	Internal	Internal Efficiency	Internal Effectiveness	Internal Fairness
	External	External Efficiency	External Effectiveness	External Fairness

Source: Brewer & Selden (2000, 689).

Dimensions of organizational performance

Participants and Procedure

The study is a very conscious and honest effort to explore the linkage between various HRD mechanisms and organizational performance. The focus of the study has been ten district-level government hospitals of Kashmir division of Jammu Kashmir. The data for the study has been collected through a well-designed structured questionnaire used in the works of Rao & Abraham (1986) and Brewer & Selden (2000). Thirty statements in the questionnaire measuring perception of employees about various HRD mechanisms were reduced to six explanatory factors using Principal Component Analysis (See Table 1.3 in appendix for results). Twelve questions were used to measure the dependent variable perceived organization performance (See Table 1.4 in Appendix for results). These items provide a broad assessment of performance by taping each dimension of the concept shown in figure 1. A separate section in the questionnaire was enacted to collect information about the demography of the respondents (See Table 1.5 in Appendix for results). All types of employees (except grade IV workers) were considered for the study. Using convenience sampling method, the questionnaire was distributed among 400 employees working on different designations in all ten selected hospitals. Respondents were

asked to respond to questions on a five-point scale, representing strong disagreement (1) to strong agreement (5). Thus a '3' represented indifference, that is, neither agreement nor disagreement. Notably, 308 employees responded to the questionnaire, however, only 285 of such responses could be found complete in every respect and used for further analysis. The responses though received were first put to reliability check using Cronbach's alpha coefficient (measure of internal consistency). Further, multiple hierarchical regression technique has been employed to study the impact of various HRD mechanisms on the performance of organizations under study. The findings of this study are expected to be of immense importance to both academics and hospital administration in their way to creating and sustaining competitive advantage via development of human capital.

Choice of Variables

The study used different HRD sub-systems or mechanisms as independent variables. The various HRD mechanisms identified as variables include Performance appraisal and reward system, Feedback and Counselling, Potential appraisal and Career development, Employee welfare and QWL, Organization development, and, Training and Development. The researcher used all these variables to

predict organizational performance of hospitals in Kashmir. The literature supports the use of various HRD mechanisms as independent variables (see for reference, Tarab, 2013; Purang, 2009). Performance in some studies appear as independent variable, however, the current study takes it as a dependent variable as suggested by March and Sutton (1997).

Analysis and Interpretations

HRD mechanisms in Hospitals: The item-wise mean scores and standard deviation of the opinion of various employees about HRD mechanism in use at various district hospitals of Kashmir are presented in Table 1.3 (See Appendix). Among various mechanisms studied, only two have been found over a fairly good degree of 4 while, all other measured dimensions felt in between 3 and 4 on a five point scale, indicating a satisfactory but not an excellent level of prevalence. Potential appraisal and Career development mechanism reported the highest average score ($m = 3.5004$) followed by Feedback and Counselling ($m = 3.46$). Besides, the lowest average score ($m = 3.06$) of all is reported for Performance Appraisal and Reward mechanism indicating a desirable system of appraisal and mechanisms for rewarding any good work by employees. Similarly the average scores for Employee welfare and QWL ($m = 3.12$), Organization development ($m = 3.21$), and, Training and development ($m = 3.19$) were also found above minimum desirable extent. Thus, indicating the existence of a satisfactory system of employee welfare and QWL, good organization development culture and occupancy of above average training and development climate. The results thus support our preposition that HRD mechanisms across various hospitals in Kashmir are satisfactory.

Organizational Performance of Hospitals: The performance constraint of the study has been measured using twelve statements in the questionnaire asking the respondents for their opinion about internal as well as external efficiency, effectiveness, and, equity and fairness. As can be seen in Table 1.4, the mean scores for internal factors of efficiency and fairness are lower than all other factors. However, internal effectiveness reports the highest average score among all. The average values of the two questions in each category are 3.330 in internal efficiency, 3.871 in internal effectiveness, and 3.340 in internal fairness and 3.460 in external efficiency, 3.486 in external effectiveness, and 3.745 in external fairness. The lowest mean scores of all are for the two internal efficiency items. The report shows that the responses about two internal measures (efficiency and fairness) are lower or less favourable than the responses about external measures suggesting that public health-care employees, like the American federal employees and Korean public employees in Brewer and Selden (2000) and Kim (2005) studies, perceive that the external stakeholders, such as 'customers' receive better attention and treatment

than internal stakeholders, such as 'employees'. This in turn suggests the importance of improving public personnel management practices related to internal fairness and efficiency. The overall organizational performance is perceived above par as the overall mean score has arrived at $m = 3.5390$ which is satisfactory. However, maintaining scope for further improvement.

Relationship between HRD mechanisms and Organizational Performance

To know the magnitude of influence that various HRD variables have on the perceptual organizational performance of hospitals in Kashmir, Multiple Hierarchical Regression technique has been employed. This procedure demonstrates a unique partitioning of the total variance accounting for in a dependent variable by a set of predictors (Cohen and Cohen, 1983). As can be seen from Table 1.2, the researcher has entered five control variables in Model 1 and added all six components of HRD as independent variables in Model 2. Therefore, any significant change in R^2 resulting from the final step is due to unique contribution of predicting variables because confounding or spurious influences have already been removed. It is important to note here that data were properly screened and cleaned; all issues relating to multi- co-linearity were duly resolved (Co-linearity is removed since the study employed PCA method of factor extraction) and all other necessary assumptions of regression were fulfilled.

Initially the dependent variable organizational performance is regressed on five demographic (control) variables (i.e., Gender, Age, Job, Experience and Salary). These demographic characteristics resulted in a highly significant p-value ($p < .05$) and demonstrated 23.7 percent change in R^2 for organizational performance. In Model 2, the addition of the six HRD variables resulted in a highly significant ($p < .05$) change of 53.0 percent in R^2 for organizational performance meaning thereby that HRD sub-systems or mechanisms carry significant relationships with organizational performance. (Refer Table 1.2 here.)

The researcher examined the standardized coefficients in order to estimate the relative importance of each HRD variable that affects organizational performance. The results show variables having statistically significant effects on organizational performance. The independent variable performance appraisal and reward ($\beta = 0.103$) reports significant P- value ($P < .05$), meaning thereby that performance appraisal and reward does contribute towards organizational performance. The most influential variable is Feedback and Counselling ($\beta = 0.403$, $p < .05$), and the next is Organizational Development ($\beta = 0.360$, $p < .05$). Potential appraisal and career development reported a beta coefficient of ($\beta = 0.267$, $p < .05$). The findings also

indicate that Employee welfare and QWL ($\beta = 0.237$, $p < .05$) and Training and Development ($\beta = 0.193$, $p < .05$) contribute to organizational performance. Thus Feedback and Counselling is found to be the powerful predictor of organizational performance in government hospitals of Kashmir. (Refer Table 1.2 here.)

Discussion

This study clarifies the effects of HRD mechanisms on the performance of an organization, as all dimensions of HRD i.e., Performance appraisal and reward, Feedback and Counselling, Potential appraisal and Career development, Employee welfare and QWL, Organization Development, and, Training and development have been found influencing organizational performance of hospitals in Kashmir. The results can be partially compared with previous research findings. The study confirms that organizational performance will be improved if HRD climate is bettered or improved. Thus, it supports Pareek and Rao (1986) that HRD system can contribute significantly to positive cultural changes, increased productivity, and excellence in organizations. The results of this study also maintain consistency with the findings of Ostroff (1992), Yousef (1998), Judge et al., (2001), Kim (2005). The results show that employee welfare and QWL is positively correlated with organizational performance. The literature suggests that positive work related behaviour and attitudes largely depend on employee perceptions as to the extent to which their employer values their contribution and cares about their well-being (Allen & Helms, 2002). This view is also consistent with social exchange theory (Blau, 1964), which proposes that the psychological contract between employer and the employee is an important determinant of organizational behaviour.

The study reveal positive relations between various HRD interventions (feedback and counselling, potential appraisal and career development, and, organization development) and organizational performance. Several empirical studies have confirmed that certain human resource practices are related to high performance in organizations (Delaney & Huselid, 1996; Martell & Carroll, 1995; Kalleberg & Moody, 1994; Terpstra & Rozell, 1993; Haltiwanger, Lane & Spletzer, 1999). For instance, Delaney and Huselid (1996) studied 590 for-profit and non-profit firms from the National Organizations Study (NOS) and found positive relations between HR practices such as training and staffing selectivity and perceptual measures of organizational performance. Kalleberg and Moody (1994) studied a similar sample of organizations and confirmed that certain HR policies and practices improve organizational performance.

Terpstra and Rozell (1993) studied business firms and found a relationship between five staffing practices and organizational performance. Simon (1998) found that federal bureaus that had received a President's Quality Award had better human resource management and development system. While Martell and Carroll (1995) observed eighteen executive-level HRM practices and found several of them associated with higher firm performance. The key components of HRM and HRD are building human capital through recruitment and employment processes, retaining high performing human capital, maintaining sufficient human capacity to do the agency's work, and providing employees with sufficient training. Enough evidences exist in the literature to believe that each of these components is positively related to organizational performance.

The study posits that training and development is related to organizational performance and thus falls in line with Ng and Siu (2004), Schuler and MacMillan (1984), Bartel (2002) that there is positive link between investment in training and performance. Existing literature suggests that training and development provisions are taken as sign by employees that their organization desires to enter into a special exchange with them, thus, creating a strong psychological bond between them and their employer (Garrow, 2004).

The results suggest that people are an essential organizational resources and a cause of good organizational performance. It is the individuals working in an organization who become the basis for utilization of other resources. Hospitals in Kashmir can be more successful with the delivery of their services when they value their employees and view them not as cost but as asset. The administration and the government officials at the helm of affairs are urged to have a better understanding of the significance of employees in public hospitals. In this way, the results of this study also support the perspective of people-cantered management (Pfeffer, 1996; Becker & Gerhart, 1996; Rainey, Brewer & Seldom, 2000; Kim, 2005). Pfeffer and Veiga (1999) opined that people-oriented practices increase employee satisfaction and commitment, and therefore, people work harder and improve business performance results. The public sector health-care institutions in Kashmir also need to provide people-cantered practices for promoting public employees job satisfaction, organizational commitment, public service motivation, and organizational citizenship behaviours so that the overall performance of the hospitals in Kashmir is improved.

Demographic characteristics of the respondents were expected to influence organizational performance. And therefore, to reduce any possibility of such spurious statistical influence, researcher also measured demographic control variables (gender, age, job, experience, and, salary). The results revealed statistically significant impact of various control variables on the organizational performance.

Conclusion and Suggestions

Besides exploring the existing status of HRD structure and performance of hospitals in Kashmir, the primary concern of this research has been to study and establish a measurable link between HRD and performance. The study found the existence of satisfactory system of HRD and equally satisfying performance of health-care sector of Kashmir. The employees in general demonstrated a favourable attitude towards developmental policies being in practice in sample studied hospitals and looked contentious towards their work and the organization as a whole. However the results indicate substantial scope for improvement in the existing HRD structure of hospitals as well as in various factors affecting performance. It is recommended that in order to further strengthen the job related behaviours of employees for better and efficient performance, hospital authorities should patch out and focus on the areas that dissatisfy employees in health-care. The present study observed the following few weak areas requiring concern;

1. Most of the employees have shown disagreement with the reward system in hospitals and it is concluded that good performances are not fairly acknowledged and rewarded (See Q22 under F1 in Table 1.3).
2. The top management in health-care is found doing usual things and is less concerned about how to make employees stay at work more joyous and comfortable (See Q01 and Q03 under F4 in Table 1.3).
3. The overall training and development culture is found above par however, employees are seen dissatisfied with the efforts been made to identify, upgrade and utilize the potential of employees in hospitals (See Q23 under F6 in Table 1.3).

Health-care is a service based industry which employs people to sell its services. However, to keep these people intact with the changing requirements of the complex business environment, they must continuously be developed. And to ensure continuous development of human resource it is necessary for the firms to create a system within the system which is self-reinforcing, self-enhancing to update, upgrade, rejuvenate, and re-invent new skills, learning and knowledge within people to help them

maintain pace with the dynamic business environment. Hospitals in Kashmir must focus on ensuring a congenial developmental climate which is conducive to work and supportive for employees. The top managements are required to invest considerable amount of time and efforts to make sure that employees enjoy their work. They should also put in lot of efforts to identify and utilize the potential of employees. Training is an important tool to help people update their skills and also attain new skills. Management should go out of the way to identify training needs of the employees and ensure skill development via sponsored development programmes.

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Appendix: Tables and Figures

Table 1.1: Summary of major studies in HRD-Organizational Performance relationship

Researcher(s)/Author(s)	Views/reflections/research findings
Flamholtz (1985)	The economic returns from investment in human resources policy and practices are substantial.
Guzzo, Jettie and Katzell (1985)	HR Management interventions involving training goal setting etc. had a significant positive effect on productivity.
Katz, Kochan and Goble (1985)	Effective Industrial Relation System (operationalised as fewer grievances, disciplinary actions and lower absenteeism) increased product quality.
Becker and Olson (1986)	Strikes have a substantial negative effect on shareholder equity.
Schuster (1986)	Use of greater number of HR interventions like assessment centres, flexible work schedules, gain sharing and organizational development had a substantial and positive effect on firm's performance.
Katz, Kochan and Keefe (1983)	Innovative work practices like increased managerial discretion in allocation of labor hours, job transfers and lay-off improved productivity.
Bartel (1989)	Training program increased productivity between 11% and 18%.
Ichniowski (1990)	Found a positive association between the firm's HR management practices and organizational productivity.
Pfeffer (1994)	Found a significant correlation between high commitment work practices such as employment security, high wages, employee ownership, information sharing, participation and empowerment, cross-training and redesign of jobs, and organization's performance.
Huselid (1995)	Found a significant correlation between implementation of high performance work practices and company's financial performance.
Youndt, M. A. et al., (1997)	Found that the HR system focused on Human capital enhancement was directly related to multiple dimensions of operational performance (i.e., employee productivity, machine efficiency, and, customer alignment).
Pfeffer, J. (1998)	Posited that human resources are the organization's central ingredients affecting organizational performance
Ostroff, C. and Bowen, D. E. (2000)	The authors proposed a meso paradigm for understanding linkages between human resource (HR) practices and firm performance.

	They adopted the perspective that HR practices shape the skills, attitudes, and behaviors of an organization's workforce, and these skills, attitudes, and behaviors in turn influence organizational behavior and that HR practices can have a direct impact on firm performance by creating structure and operation efficiencies.
Wright, P. M. et.al., (2003)	Analyzed the impact of HR practices and organizational commitment on the operating performance and profitability of business units. The study revealed that both organizational commitment and HR practices are significantly related to operational measure of performance, as well as operating expenses and pre-tax profits.
Combs, J. et al., (2006)	By using meta analysis to reduce the effects of sampling and measurement, the authors estimated that organizations can increase their performance by 0.20 of a standardized unit for each unit increase in High performance work practices (HPWP) use.
Jiang, K., Lepak, D. P., Hu, J., and Baer, J. C. (2012).	Found all three dimension of HR systems they identified i.e., skill-enhancing, motivation-enhancing and opportunity-enhancing, related to financial outcomes both directly and indirectly by influencing human capital and employee motivation as well as voluntary turnover and operation outcomes in sequence.

Source: Adapted from Kandula, S. R. (2001)

Table 1.2: Predicting organizational performance

	Model 1(β)	Model 2(β)
Control Variables		
Gender	.142	.153
Age	-.065	.188
Job	.230	-.023
Experience	.313	.032
Salary	-.285	-.094
Human Resource Development Variables		
Performance Appraisal and Reward		.103
Feedback and Counselling		.403
Potential Appraisal and Career Development		.276
Employee Welfare and QWL		.239
Organization Development		.360
Training and Development		.193
R	.487	.876
R²	.237	.767
F Value	16.113	75.822
Change in R²	.237	.530
F Change	16.113	96.021
Sig.	.000	.000
N	285	285

Source; SPSS_20 Output (Results Based on Survey)

Table 1.3: Factor loadings of scale measuring HRD climate in Hospitals of Kashmir

Factors (Alpha Score)	Factor Interpretation (% variance explained)	Q's	Variables included in the Factor	Loadings	Mean	S.D
F1 ($\alpha =$ 0.814)	Performance Appraisal and Reward System (38.97%)	Q14	The organization's future plans are made known to the senior staff to help them develop their juniors and prepare them for future.	0.566	3.21	1.255
		Q15	Promotion decisions are based on the suitability of the promotee rather than on favouritism.	0.609	3.11	1.205
		Q21	When an employee does good work his supervising officers take special care to appreciate it.	0.769	3.20	1.217
		Q22	There are mechanisms in this organization to reward any good work done or any contribution made by employees.	0.725	2.63	1.177
		Q24	Performance appraisal reports in this health-care unit are based on objective assessment and adequate information and not on any favouritism.	0.457	3.20	1.101
F2 ($\alpha =$ 0.870)	Feedback and Counselling (08.69%)	Q08	People in this organization are helpful to each other.	0.816	3.74	1.199
		Q12	There is good team-spirit and cooperation in the organization.	0.762	3.33	1.223
		Q27	When seniors delegate authority, the juniors use it as an opportunity for development.	0.707	3.61	1.103
		Q29	When behaviour feedback is given to employees they take it seriously and use it	0.641	3.52	1.111
			for development.			
		Q30	When problems arise, people discuss these problems openly and try to solve them rather than accusing each other behind the back.	0.560	3.10	1.319

F3 ($\alpha = 0.815$)	Potential Appraisal and Career Development (6.25%)	Q07	Job-rotation in this organization facilitates employee development.	0.361	3.33	1.259
		Q13	People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.	0.502	3.24	1.318
		Q16	Employees sponsored for training take it seriously and try to learn from the programmes they attend.	0.701	3.29	1.021
		Q17	Career opportunities are pointed out to juniors by senior officers in the organization.	0.684	4.04	0.870
		Q25	Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take.	0.434	3.60	1.230
F4 ($\alpha = 0.805$)	Employee Welfare and QWL (05.28%)	Q01	The top management in health care goes out of its way to make sure that employees enjoy their work.	0.712	2.75	1.340
		Q02	The top management believes that human resources are an extremely important resource and that they have to be treated more humanly.	0.565	3.63	1.296
		Q03	The top management in health-care is willing to invest a considerable part of their time and other resources to ensure the development of employees.	0.720	2.97	1.264
		Q04	The psychological climate in this organization is very conducive to any employee interested in	0.629	3.18	1.236
			developing himself/herself by acquiring new knowledge and skills.			
		Q06	This organization ensures employee's welfare to such an extent that the employees can save a lot of their mental energy for work purposes.	0.635	3.11	1.309

F5 ($\alpha = 0.783$)	Organization Development (04.54%)	Q05	Employees in this hospital are not afraid to express or discuss their feelings with their superiors/supervisors or even with colleagues.	0.654	3.00	1.048
		Q09	When any employee makes a mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.	0.711	3.26	1.386
		Q11	Development of human resources is considered while framing personal policies.	0.422	3.21	1.392
		Q26	Delegation of authority to encourage juniors to develop and handle higher responsibilities is quite common in this organization.	0.462	3.49	1.225
		Q28	Weaknesses of employees are communicated to them in a non-threatening way.	0.681	3.09	1.166
F6 ($\alpha = 0.822$)	Training and development (03.67%)	Q10	Employees in this health-care unit are encouraged to experiment with new methods and try out creative ideas.	0.584	2.98	1.215
		Q18	Employees returning from training programmes are given opportunities to try out what they have learnt.	0.767	3.66	0.991
		Q19	Employees are sponsored for training programmes on the basis of genuine training needs.	0.458	3.46	1.055
		Q20	Specific training programmes are organized	0.476	2.98	1.251
			by hospital authorities on regular basis.			
		Q23	The top management of this organization makes efforts to identify and utilize the potential of the employees.	0.529	2.88	1.136

Source; SPSS_20 Output (Results Based on Survey)
Extracted Factor loadings after Varimax Rotation

Table: 1.4: Organizational performance of Hospitals ($\alpha = 0.872$)

S. No	Statements	Mean	S.D
01	My organization has made good use of my knowledge and skills in looking for ways to become more efficient.	3.42	1.142
02	My organization is trying to reduce cost in managing organization and performing works.	3.25	0.971
Internal Efficiency		3.33	0.879
03	In the past two years, the productivity of my work unit has improved.	4.00	0.911
04	Overall, the quality of work performed by my current co-workers in my immediate work group is high.	3.74	1.017
Internal Effectiveness		3.87	0.811
05	My organization provides fair and equitable treatment for employees and applicants in all aspects of personnel management without regard to their political affiliation, sex, hometown, marital status, age, or handicapping condition.	3.29	1.385
06	In general, all are treated with respect in my organization, with no regard to status and grade.	3.39	1.214
Internal Fairness		3.34	1.138
07	My organization has maintained professional relations with outside customers very promptly.	3.42	1.027
08	It is rare to make big mistakes in my organization when conducting work.	3.50	1.049
External Efficiency		3.46	0.809
09	The work performed by my work unit provides the public a worthwhile return on their tax dollars.	3.53	0.981
10	The occurrence of goal attainment is very high in my organization.	3.45	1.114
External Effectiveness		3.48	0.880
11	My organization provides fair and equitable services to the public, with no considering of their individual backgrounds.	3.88	1.150
12	The customer satisfaction toward my organization is very high.	3.62	1.039
External Fairness		3.74	0.960
Organizational performance (Valid N=285)		3.53	0.698

Source; SPSS_20 Output (Results Based on Survey)

Table 1.5: Distribution of Respondents by Demographic Characteristics

Particulars	Number of Respondents	Percentage of Total
Gender		
Male	167	58.5
Female	118	41.5
Age		
Up to 30	98	34.5
30-40	127	44.5
40-50	43	15.0
Above 50	17	06.0
Job Category		
Medical	92	32.2

Para-Medical	193	67.8
Experience		
Up to 5years	126	44.7
05-15	111	38.9
15-25	31	11.0
Above 25	17	0.60
Salary Group		
Up to 20K	113	39.6
20k-40k	69	24.3
40k-60k	59	20.7
Above 60k	44	15.4
Total Sample Size	285	100

Source; *SPSS_20 Output (Results Based on Survey)*