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Sohail Ahmed

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Human Resource Management: Employees Career Development Impact on Organizational Performance

Sohail Ahmed

Faculty of Management and Economics
Kunming University of Science and Technology
Yunnan, China
sohailrco@yahoo.com

Xing KE

Faculty of Management and Economics
Kunming University of Science and Technology
Yunnan, China
kexing6918@126.com

Abstract— The purpose of this research paper is to show the effectiveness of human resource management with relative to their organizational roles. This research paper provides information that employee career development needs must be measured to align with organizational goals for efficient organizational performance. To measure the research objectives, employee career development was taken as independent variable while organizational performance was used as dependent variable. Human resource management was used as a tool to deploy employees with their career needs to achieve best performance level for their organization. Questionnaire technique was used for data collection. Sample included 154 respondents from service industry. Regression analysis was used for data analysis. Findings of this study showed that human resource management is the effective way to improve organizational performance by focusing on employee career needs. Results also revealed that increased organizational career development efforts for employees also increase loyalty and commitment to organization.

Keywords—*Human resource management, managerial development, organizational performance, career development, job design.*

INTRODUCTION

Strategic human resource management aligns human resource function to your core business objectives by emphasizing human resources activities that support organizational mission and goals, building a strong relationship between human resource and management.

Current Literature on Human Resource Management explored the shift of human resource management from an employee focus to a strategic focus. This provided an overview of the implications of human resource management and their strategic impact on organizational performance. Also much importance is given to the latest trends in human resource management by transferring it to strategic human resource management. challenge for human resource leaders is to understand the role of human resource management in a global business environment and effectively define the critical issues and responses necessary for implementation of Human resource development.

This research will provide information that how an organization can manage their human resource to fully utilize their potential according to employee's interest for mutual development. This research provides information that how employee career engagement develops loyalty and commitment of employee-employer relationship. This will enable organizations to achieve efficiency in their processes leading them to be market leader in industry.

GAP ANALYSIS

Recent literature on the goal alignment in employer and employee perspective considers it under the title of names of "Unitarism". This means that when management and staff, and all members of the organization share the same objectives, interests and purposes, this system of working together is called unitarism [1]. This is the ideal situation for organization as there will be no conflict between management and organization.

Some writers are of the view that by reforming HRM to strategic human resource management may highlight that the individual's personal goals and targets should be evaluated by organization to align the employee personal goals with organizational goals thus achieving mutual goals in a broad perspective [2].

RESEARCH PROBLEM

If we consider this problem in the context of Pakistan, current industry system is based on achievement of organizational goals and less importance is given to the employee career needs which should be the prime objective of industry. Research problem is:

Human resource management has impact on employee's career development for improved organizational performance?

OBJECTIVES OF RESEARCH

- The main objective of this research is to find out the relationship of Human resource management and organizational performance.
- The objective of this study is to know about the factors which organization must consider for development of human resource.
- This research will provide information that how organizational management should evaluate their employees according to their career needs.

LITERATURE REVIEW

In human resources management literature, researchers in the last two decades suggest that supervisor support in their subordinates' career development has a significant impact on their subordinates' career satisfaction and turnover [3].

Unitarism within HRM fails to account for issues of work empowerments in relationship between organization and their employees. Organizations remain no more effective at achieving their goals if they make their employees to strongly focus on organizational goals. Organizations must develop such systems which develops employee's belongingness with organizational goals for development of their own career development [4].

In literature, analysis has done through diagram which proposed that there is a limited intersection of the interests of organization and employees as the most accurate depiction of the relationship [5]. Individual who have a degree of choice in selecting employer, will

choose organization that meet at least some of their needs partially, even if those needs are as obvious as the need to earn an income. Also the overlapping of interests between organizations and employees depends on attributes of the employees; the greater an employee's power, the greater the degree of overlap between the organization's and employee interests as the organization seeks to achieve alignment for their benefit.

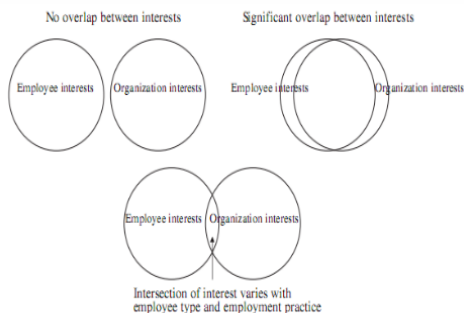


Figure. 1: Models of intersecting employee interests and organizational interests

EMPLOYEE CAREER DEVELOPMENT

Common observations lead to a very simple and understandable inference that every employee holds the responsibility for his or her own career and its development. And it is solely upon the shoulder of the employee to make the organization understand and notice his or her needs regarding the career development and satisfaction, and furthermore try to fulfill those needs and wishes [6].

A subordinate would consider supervisor support as contributing factor for his career development if provided either helpful information (feedback) on career advancement opportunities in the organization or personal support or both. There is evidence that having an appropriate level of supervisor support can facilitate one's career advancement and results in a higher level of career satisfaction and a lower rate of turnover [7].

The process works both ways allowing the manager to be more than a supervisor and employees more productive and creative. In this regard the organizations benefit from satisfied managers and subordinates lead to not just to achievements of goals and objectives but also to creative and novel output that ultimately serves as competitive advantage [8]. Research showed that participation is not a management style but it is a new way to manage. Through participation workers, owners and every individual focus their energies on success of organization. So organization must develop participation system as a critical factor for their success [1].

MANAGEMENT & CAREER DEVELOPMENT

Organizational management represents for the well-being of their employees and if organization does not take enough steps then costs can be higher for organizations, resulting in dissatisfaction of employees and later on they may face a scenario of turnover as well. Management must take into account their recruitment process and transform their new comers into productive members of organization [9]. Different programs as orientation, training and socialization can serve this process.

Theories about Sustaining employees proposed that organization can retain employee by placing ownership thus employees can participate and act for social and political change in organization [10]. This concept shows that when employees have stake in business then their intellectual capital and productive energies are focused on productivity and economic success of organization. These advantages

are really worthy for any organization and can get more worthy through development techniques thus getting more employee commitment.

As competition for scarce human capital intensifies, understanding employee fit can help companies in harnessing the knowledge, skills and experiences needed to compete effectively [11]. For example, diversity management is important to applicants considering employment offers and evaluating company fit [12].

Research showed that managers can help employees and act as key person in retaining employees. Also this practice is not limited to some higher level employees in fact this is for all levels of employees while other organizations show limited efforts and counseling for these level of employees [13].

HUMAN RESOURCE MANAGEMENT

In a general sense, career systems in today's organizations tend to be deeply related with the strategies that it crafts for internal affairs. Strategies may differ from industry to industry and even from a company to company in a single industry hence career development can also be distinctive and differentiating and it can be witnessed in the process of recruiting as well as with the career development and promotion [14].

In theory, the concept development started at the very beginning and discussed that young individuals join organizations with wishes that organization would provide them with key roles in their career [15]. These young employees view their supervisor as parental figures and works hard to be like them. So management of organization must train their supervisor to provide such development to these recruits through counseling and participative culture.

Another way to develop career is by getting support from career communities. Career communities are such groups which have experienced personals which can guide individuals who are starting their career. They can stimulate cognitive abilities and helps individuals to define their goals with their constant guidance to improve relative skills [16].

Concept of career communities acknowledges that career activity is no more bound to single employing organization, it may consider other factors such as social, ethnic and gender to which workers belong, the occupations with which workers identify, the education they undertake, the industries in which they gather experience, the homes and families in which they live and the churches, voluntary societies and leisure groups in which they participate. These behaviors give clear picture to how an individual acknowledges his career and these are his goals to achieve during his career. This would be really helpful for Human Resource Management as they can get access to individual's motivational factors [17]. Career communities can help fresh graduates as well as individuals in their mid-career and helps individuals to align their goals with organizations in multifaceted environment [18].

Being in the upper part of the hierarchy of the organization, manager holds an important as well as a responsible position for the process of his/her subordinates' career development is concerned. It is his or her job to high light and then connects those needs and preferences of the subordinates and tune and align it with the setup of the organization that actually holds possibilities and opportunities [14].

Interestingly the process bears a two-way benefit, the manager himself/herself too gets to be benefited by being a mentor and role model for the subordinates and tends to productive and influential by letting them utilize his or her knowledge and use it to an advantage for themselves and the organization as well.

Supervisor role is relative with the mentoring activity to develop your employee and get full use of his potentials by providing aligned goals with his passion and organization. As supervisors conduct formal

appraisals, they should be concerned with their subordinates' career advancement and encourage growth in that direction [19].

ORGANIZATIONAL PERFORMANCE

If organization denies the developmental opportunities to their employee, organization will be facing turnover which also act as bad reputation for organization. Later these employees will be employed by those who make the fullest use of its employee for goal achievement with employee development [3]. Employees must not get depressed feelings about their developmental opportunities in organization rather organization should do enough efforts to help focus their employees on goals and attitudes so that employees get benefited from organization whole program.

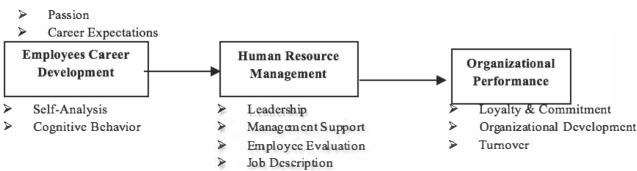
Earlier in this paper mentioned that very little focus is given for new employee development in organization. This must be the tactic of organization to do development efforts for freshly employed people to get edge on other organizations [9]. If this transition to work is not successful, then the cost will be very high for organization.

This practice can lead to develop organizational commitment in fresh individuals and may develop extreme loyalty in individuals which really matters for reputation of organization. This is the responsibility of organization to take actions on such findings through different organizational schemes to derive loyalty and commitment. Employee fit is really responsible for individual commitment and organizational outcomes as satisfaction, performance and ultimately organizational efficiency [20, 21].

Literature showed that promoting and preserving the mental health of employee's leads to increase employee performance and decrease in turnover thus working more efficiently for organization [22]. This development system must include career counseling programs to extract the employee's ambitions so that right training will be provided to individual and hence he can contribute more.

Employee development is mutually beneficial for both parties as employees act as an asset for organization so when organization works for development of their employees it increases their commitment to organization [9]. Individuals are very ambitious about developmental opportunities in their early career because development process serves for alignment of employee ambition to excel their skills and advance in their field which improves their commitment to their job.

Theoretical Framework



HYPOTHESIS STATEMENTS

- H1: Employees career development has positive relation with human resource management.
- H2: Human resource management has positive relation on effecting organizational performance.
- H3: Organizational performance can be increased by employee's career development.

RELIABILITY ANALYSIS

Pilot testing was done to measure the reliability of questionnaire. The values of employees, HRM and organizational performance were 0.689, .695 and 0.728 respectively. All values are close to 0.7 thus giving enough confidence for full data analysis.

SAMPLING AND DATA COLLECTION

Target population included the permanent and long term employees of organizations as they can give better opinion about organizational career management efforts. Questionnaire included dichotomous questions as well as multiple levels i-e four to five levels (Likert scale). Questionnaire tool was carefully developed by considering the hypotheses of study. This study uses 26 items to measure research problem adopted [23, 24, 25, 26]. Total questionnaires distributed for this research were 250 but the response rate was about 60 %, among which 154 questionnaires were received and fully usable. Respondents included employees of services industry from private and public sectors.

RESULTS AND DISCUSSION

Regression analysis gives the predicted values of Y (dependent variable) for different values of X (Independent Variables). Regression gives the degree of linear association among variables that how independent and dependent variables can be linked. In our theoretical framework, human resource management is used to affect employees by their strategies for improved organizational performance.

From the given table we can see a value of 0.658 which means that variables are positively contributing in the current model for improved organizational performance. Human resource mangement system of organizational is definitely responsible for affecting performance of employees in a positive way. This theory is relevant with the research in which employee satisfaction proved that organizational performance gets more efficient when employees receives career support from organization as they get more loyal and committed to their roles and organization [27].

TABLE I. TABLE STYLES

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658a	0.433	0.43	0.17486

¹The value of 0.658 from regression makes our model affective as its impact on dependent variable is positive. Also the value of adjusted R is representing 43% changes in the model thus making it strong the measure the current objectives. Error variance is also very low and the model is considered to be more reliable. Career literature also supports these findings as employee career goals are based on their inspirations which organizational management has to align for mutual benefits [28].

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	3.999	1	3.999	130.783	.000 ^b
Residual	5.228	171	.031		
Total	9.227	172			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), HRM

From Anova table, we can see the significance of the relation of independent and dependent variable of research model. The significance value is less than 0.05 thus making our research model reliable for improving organizational performance.

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	1.039	.131		7.946
	HRM	.594	.052	.658	11.436

a. Dependent Variable: Organizational Performance

a. Model Summary
b. ANOVA Table
c. Coefficients

The standardized coefficients are used to make model more comparable. We can see that the value of HRM is significant with $p < 0.01$ and affecting model in a positive way. Beta is known as the regression coefficient and measure the strength of the relation between variables. Standardized coefficient means that how much change occurs in dependent variable due to change in predictor variable. Beta value of HRM is 0.658 which is very strong and shows direct impact human resource management on improving organizational performance. If other factors remain constant, 1 unit change in HRM leads to 0.658 change in organizational performance with $p < 0.01$. If 1 unit increases in HRM it leads to 65.8% increase in organizational performance. From beta values and significance values, we can conclude that organizational performance is dependent on HRM systems.

Stepwise Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.667 ^a	0.445	0.441	0.166
2	.749 ^b	0.561	0.555	0.149

a. Predictors: (Constant), HRM

b. Predictors: (Constant), HRM, Employee

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.379	1	3.379	121.895	.000b
Residual	4.213	152	0.028		
Total	7.592	153			
Regression	4.261	2	2.13	96.583	.000c
Residual	3.331	151	0.022		
Total	7.592	153			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	0.995	0.138		7.206	0
	HRM	0.612	0.055	0.667	11.041	0
2	(Constant)	0.386	0.156		2.464	0.015
	HRM	0.392	0.06	0.427	6.487	0
	Employee	0.412	0.065	0.417	6.324	0

a. Dependent Variable: Organizational Performance

Stepwise regression analysis is done to measure the impact of variables to check which variable is more affective for improving organizational performance. First model, in which human resource management is tested to measure the impact on organizational performance and second model, tested human resource management and employees for achieving better organizational performance. From tabulated values, the impact of second model which tested human resource management and employees is more significant than the first. Also the values of R, adjusted R square and error variance are more improved than the first model. Human resource managers can better evaluate their employee and deploy them according to their

expertise for efficient performance This theory is consistent with the literature which is proved through research [29] that career development by respective organization has direct impact on employee career.

From above table it is clear that values in second model are higher than model 1, thus making second model more accurate. Human resource management can better evaluate employees based on their expertise and deploy them according to their career needs ultimately enabling them for higher performance levels. As shown from above table the association between variables is positive and study is more significant and more generalized. Overall significance level of model is less than .05 which makes relationship of variable more significant. Statistical values including regression, significance and beta values provide significant results, hence proving hypothesis statements. These results are consistent with the research in which long term effectiveness of career management is practiced in organization [30].

Hypothesis Statements	Sig. Level	Status
H1: Employees career development has relation with human resource management.	.000	Accepted
H2: Human resource management has relation on effecting organizational performance.	.000	Accepted
H3: Organizational performance can be increased by employee's career development.	.000	Accepted

CONCLUSION & RECOMMENDATIONS

HRM is the core process of every organization and organizational performance depends on their management expertise. Organization management must revive systems that how they examine, assess and evaluate not only themselves and their employees' career engagement, but also review reward systems, decision-making systems, and work systems to see how these systems compensate employees in experiencing high levels of career engagement on regular basis.

The philosophy of HRM would be such to empower employees in their respective roles, providing them enough opportunities to develop there selves. People perform well when they find meanings in what they are doing and give their genuine performance. Primary purpose of an organization is to make profit and for its achievement human resource is responsible at every step of their strategies. To achieve those goals, matching between organization and employees must be focused primarily because employee gives their full performance when they perform their role at the right place provided with training and right development from organizational management.

The purpose of Human Resource department is not only to care to employee but also focus on the coordination and correlation of employee's interests and goals. Organizations must constantly evaluate their employees according to their skills parallel to their interests in order to fully utilize the best talent of their employees in organizational benefit. Today almost every organization have department of Human Resource Development (HRD) but very few actually meant for the development of their employees. This developing practice also rest with only their managerial class and a much less attention is applied on their lower level employees which is why fresh graduates in their early career switches their first jobs after earning some experience in organization. Their goal is to get experience and after achieving that goal they switch to another organization which is normally called experience getting culture.

LIMITATIONS AND FUTURE RECOMMENDATIONS

This research used convenience sampling and the population size was unknown. Longitudinal studies can find better contribution for the

career literature as career needs have affect with time period. Larger sample size with focus group discussion and semi structured interviews may also show new dimension for future research.

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