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Role Of Human Resource Development Inimproving Organizational Performance Outcomes

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Human Resource Development (HRD), organizational performance, HRD interventions, strategic HR management, employee productivity, training and development, career development, organizational learning, leadership development, performance management systems, mentoring and coaching, Human Capital Theory, Resource-Based View, Social Learning Theory, HRD-performance framework, employee retention, innovation performance.

ABSTRACT

Human Resource Development (HRD) is considered to be one of the most important strategic instruments that has been applied by organizations to ensure a competitive edge and ensure longer-term prosperity. The paper provides a comprehensive, systematic examination and analytical synthesis of the relationship between the HRD interventions and the outcome of organizational performance in different industries and areas. This paper uses the evidence of over 85 articles published in the last ten years (2000-2024) and the experience of the World Economic Forum, SHRM, Deloitte, McKinsey Global Institute, and the International Labour Organization to examine how essential components of the HRD, training and development, career development, organizational learning, mentoring, performance management system and leadership development can affect their outcomes, such as employee productivity, organiz The literature finds that organizations with these high investment strategies of HRD outperform their counterparts with low-investment strategies in numerous measures: productivity increases by 20-25 percent, voluntary turnover reduces by up to 34 percent, and the output of innovations rises by 15 to 22 percent, and they are made more profitable through an average of 8.6 percentage points. A detailed HRD-Performance Framework founded on Human Capital Theory, Resource-Based View, and Social Learning Theory is also provided in the document. It identifies institutional barriers like scarcity of resources, organizational resistance, and measurement gaps, and provides evidence-based strategic suggestions to HR practitioners and decision-makers. The study also adds to the body of current knowledge by bridging the theoretical gap between HRD investment and measurable organizational outcomes by providing a robust academic and practical tool to the researcher, leaders, and decision-makers.

1. INTRODUCTION

The world of business of the twenty-first century is associated with accelerated technological developments, growth in competition, demography, and rapid deterioration of the skills of the working labor force. In this regard, companies are unable to rely only on financial resources, physical assets or technical infrastructures to keep them ahead of the pack. The quality, talents, and versatility of human resources have become the most important determinant of an organization's success or failure. The key to this problem is Human Resource Development, which is commonly perceived as the set of learning opportunities, development programs and performance support mechanisms that are instituted by organizations to enhance the individual and collective potential.[1]

As the McKinsey Global Institute (2023) estimates, 375 million employees globally, or 14 percent of the total world workforce, will be forced to entirely switch their type of work by 2030 due to the impact of automation, as well as artificial intelligence. Companies that invest heavily in continuous employee development will be better at handling this change by far than those that regard training as an unnecessary expense. In a survey of more than 10,000 HR leaders spread across 119 countries (Deloitte Human Capital Trends, 2023), 74 percent of the participants noted that the capability gap is their number-one business challenge but merely 17 percent reported that their organization has a solid learning and development strategy to support business objectives.

Despite such growing recognition, the academic literature on HRD and organizational performance is still fragmented. There is a tendency to be empirical research focused on specific sectors, lacks methodological consistency, and has focused on a specific HRD intervention rather than the overall results of the whole HRD structure. Moreover, there is always a gap between the theory of HRD and its practice: it appears that organizations cannot easily translate the theories and apply them in a practical form and expect specific performance outcomes. In this research, these gaps are addressed with the help of the systematic review of available resources, a combination of theoretical perspectives, and the synthesis of the empirical data in the form of a coherent, evidence-based understanding of the effects of HRD on organizational performance.[2]

The primary research question that guides this study is as follows: How should Human Resource Development interventions influence the result of organizational performance, and how can this be achieved through what processes? The study will seek to accomplish 4 specific objectives, namely: first, the identification of the theoretical concepts that would tie HRD and organizational performance, second, the analysis of how individual elements of HRD can produce a benefit in performance, third, synthesizing the evidence on what HRD has been found to do in real-world contexts and fourth, what are the barriers to effective execution of HRD, and what are the evidence-based recommendations.[3]

This investigation is significant not only in academic contribution, but also in academia. To organizational leaders, strategic investment decisions can be made using a clear understanding of the relationship that exists between HRD and performance. It provides the HR workers with a framework to develop interventions that align with the business outcomes. It also details to policymakers the need to establish human capital to enhance national productivity and competitiveness within the economy. To management students and scholars, it offers both empirical and theoretical foundations for further study.

2. LITERATURE REVIEW

2.1 Historical Development of HRD.

It is possible to trace the intellectual roots of the Human Resource Development as far as the late nineteenth and early twentieth centuries' industrial training movements. Scientific management principles as presented by Frederick Winslow Taylor (1911) were more of an indirect acknowledgement that skills needed to be improved in workers, but in a rather mechanistic view of this process (more emphasis on efficiency in work, less on holistic human development). This concept was greatly elaborated in World War II when a U.S. government program called Training Within Industry (TWI) demonstrated that systematic employee training, which is structured and organized, could make a great deal of productivity and quality improvement in manufacturing environments, an insight that would also be important in subsequent HRD theory.[4]

HRD as a field of study generally owes its name to Leonard Nadler who originated the term in 1969 during a professional conference and went on to define it as organized learning opportunities provided by employers over a specific period of time to create potential performance enhancement or more comprehensive development (Nadler, 1970). Although this definition is necessary, it was criticized subsequently because of its narrow focus on employer-led learning. The 1989 book commissioned by the American Society of Training and Development (ASTD) by McLagan expanded the HRD domain to incorporate training and development, career development, and organizational development as its three vital support structures, a framework that has proven to be very stable.

The next decades were marked by the progressive growth and diversification of HRD as a field of study. Swanson and Holton (2001) defined HRD as an activity that develops and liberates human talent through organizational development and employee training and development to improve performance. The analysis by Cho and McLean (2004) gives a



worldwide perspective, which shows the significance of national context, cultural values, and institutional structures in HRD practices. Knowledge management emerged as a strategy during the 1990s and early 2000s, and has expanded the horizons of HRD, which interconnected the levels of learning systems, intellectual capital, and competitive advantage.[5]

2.2 HRD and Organizational Performance: Early Evidence

Empirical studies that showed a connection between HRD and organizational performance primarily emerged in the 80s and 90s. One of the first large-scale empirical studies was by Bartel (1994) who found that the productivity growth in those companies that had adopted formal training programs between 1983 and 1986 was significantly more than in those that did not receive training, with training explaining some 16 percent of the difference in the growth. Similarly, an influential 1995 study by Huselid of 968 publicly-traded U.S. firms revealed high-performance work systems including HRD as a major factor to be closely associated with low employee turnover, greater productivity, and higher corporate financial performance.

Guest (1997) introduced a conceptual model of relating HRM practices to organizational outcomes through psychological processes to argue that, HRD interventions lead to commitment among employees, quality of work and flexibility which, in turn, increase productivity and financial performance. This mediation argument was significant and shifted the emphasis on the direct relationship between HRD and performance to the organizational and psychological processes through which HRD generates performance value. At this time, a four-level evaluation model developed by Kirkpatrick (reaction, learning, behavior, results) provided practitioners with the first widely agreed framework of evaluating the effectiveness of training, but its flaws in measuring results at a strategic level were identified.[6]

2.3 Contemporary HRD Research Trends

Recent studies in the field of HRD show that the field has become significantly broader and increasingly methodologically cumbersome. The current literature can be characterized by three trends. There is growing attention to the strategic congruency between HRD and the general business strategy. Other scholars, such as Garavan (2007) and Wang and McLean (2007) have argued with a lot of success that HRD can most effectively impact when it is not only reacting to existing skills gaps, but is also proactively tied to the long term goals of the organization. This strategic HRD perspective shifts the focus of the viewpoint of learning outcomes on the individual level to the building of capabilities on the organizational level.

Secondly, the literature has gradually taken contextual and cultural issues into consideration that moderate the relationship between HRD and performance. Some cross-national surveys, including those by Tharenou, Saks, and Moore (2007) and Sung and Choi (2014) have indicated that the efficacy of specific interventions to HRD varies greatly between national cultures, institutional settings, and organizational areas. An example is that the concept of mentoring and coaching, which are effective in individualistic Western cultures, may have to be reconfigured to a more collectivistic culture where peer learning and group-related development are more natural and effective.[7]

Third, the HRD environment has been turned upside down by the digital transformation. The coronavirus accelerated the adoption of e-learning and virtual reality training, an AI-driven personalized learning platform, and online training. According to a LinkedIn Workplace Learning Report released in 2022, 64 percent of L&D professionals shifted their paradigm to online training after the in-person training. Moreover, employees who used digital learning materials devoted an average of 58 percent more time to learning every week than those who used traditional approaches. It is this digital turn that has given rise to new possibilities of HRD research, with a particular focus on learning analytics, customization, and evaluation of the effectiveness of digital learning.[8]

3. Theoretical Framework

The theoretical framework adopted as an integrative approach is used in this research to involve three fundamental theoretical traditions to explain the mechanisms of how HRD influences organizational performance. These are the Human Capital Theory, the Resource-Based View of the Firm and the Social Learning Theory. Each of the theories puts at the forefront a specific delivery of the HRD-performance relationship, and when put together, they explain it in an elaborate way.

3.1 Theory of Human Capital.

The theoretical explanation of the relationship between HRD and performance has the best conceptualization in the Human Capital Theory, which was first proposed by Gary Becker (1964) and Theodore Shultz (1961). According to the theory, individuals have reserves of knowledge, skills, and abilities that can be capitalized in a way that a form of capital can yield returns through productive exploitation, and human capital can yield economic returns through productive activity. Notably, human capital may be improved with conscious investment, particularly through learning and training, and such NI is compensated at the individual level, which is symbolized by higher wages and promotion, and at the organizational level, which is symbolized by more productivity and economic development.

Considering the organizational context, HCT provides good reason as to why it should invest in HRD. In investing in training and development, organizations are essentially expanding the human capital base at their disposal, improving the

productivity potential of their employees. Becker distinguished between general human capital, which has the ability to be moved across organizations, and firm-specific human capital, with specific value in a firm context. This distinction has major strategic implications: when invested in company-specific HRD, such as proprietary process training, company-oriented leadership programs, and personalized knowledge management systems, a form of human capital results, which is valuable to the company and difficult to replicate by competitors.[9]

3.2 Resource-Based View of the Firm.

Resource-Based View (RBV) introduced by Penrose (1959) and developed by Barney (1991) and Wernerfelt (1984), adds to the notion of Human Capital Theory an emphasis on putting the HRD in a broader competitive advantage context. The RBV indicates that the value, rare, imitable, and non-replaceable resources and capabilities constitute a sustainable competitive advantage and are referred to as the VRIN criteria. The resources that meet all four criteria cannot be replicated by competitors and, therefore, result in systematic performance above average.

Human capital that is developed through HRD programs meets the VRIN requirements better than most of the organizational resources. It is also advantageous because a team that has broad and organization-specific knowledge and a good organizational learning culture enables the company to utilize opportunities and reduce risks. It is not the norm as not every company puts the same money into HRD. This is inimitable as human capital is in the personal knowledge of individuals, social networks and organizational culture which are highly complex, dependent on the past and extremely hard to replicate. It is not substitutable as it does not have any easily available alternatives to having a skilled, knowledgeable and motivated workforce.[10]

3.3 Social Learning Theory.

The social learning theory, developed by Bandura (1977) provides psychological processes on a microlevel, which allow the HRD interventions to result in behavior change and performance improvement. According to the theory, individuals do not learn only through their own experience but also through observation and through socialization. There is one important concept which is self-efficacy which means that a person believes that he/she can perform a given action and this self-efficacy can be implemented with more effort and a longer period and sensitive people can finally perform better.

One way of developing self-efficacy is through HRD programs and in particular through mentoring programs, coaching and experiential learning programs whereby mastery experience is provided, vicarious learning opportunities are availed and social support is encouraged by trusted individuals. This shows that the effects of HRD are not merely about the impartation of knowledge and skills; effective HRD changes how the employees perceive themselves, their intended response in their work orientation, in their acceptance of new assignments, and their involvement in the tasks of the organization.[11]

3.4 HRD-Performance Integration Framework

Based on these three theoretical schools of thought, this study proposes a kind of Integrative HRD-Performance Framework, which is designed into three tiers of analysis, namely, individual, team, and organizational levels. HRD investments improve human capital at the personal level, self-efficacy and alter behavior and performance. The collective intelligence, enhancement of team cohesion, and collaborative problem-solving are encouraged at the team level with the help of joint learning experiences and social interaction strategies. On the organizational level, the added effects of personal and team development manifest in the form of enhanced productivity, potential to innovate, financial performance, and stakeholder satisfaction. The framework recognizes the tempering effect of organizational culture, quality of leadership, and contextual factors in the identification of the strength and character of these relationships. This integrative model is three-level and fills gaps in mono-theoretical explanations and provides a more complex and comprehensive knowledge of the relationship between HRD and performance.

Theory	Key Proponent(s)	Core Premise	HRD Relevance
Human Capital Theory	Becker (1964); Schultz (1961)	Investment in people yields productive returns	Justifies training as capital investment
Resource-Based View	Barney (1991); Penrose (1959)	Unique resources create sustained advantage	HRD builds inimitable human capital
Social Learning Theory	Bandura (1977)	Learning occurs through observation and interaction	Explains behavioral change through mentoring and modeling

Table 1: Summary of Theoretical Frameworks Underpinning the HRD-Performance Relationship



4. Central HRD Interventions and Mechanisms.

4.1 Training and Development

The most studied and the most commonly implemented HRD intervention is training and development (T&D). T&D in its basic sense, all the structured activities would be included in the attempt at enhancing the knowledge, skills and capabilities of the employees which includes on-job training, apprenticeships, formal instruction, e-learning, simulation training and cross-departmental projects. The primary driver of performance is very straightforward: employees who have received primary and improved training are more talented, more confident, more productive and less vulnerable to higher costly errors.

An Association for Talent Development (ATD) report published in 2022 found that firms that have comprehensive training programs directly generate 218 percent more revenue per employee than organizations that do not offer formal training. Also, such organizations record a 24 percent higher profit margin than those that do not invest in employee training as much. The Kirkpatrick-Phillips model (2009) adds the fifth level on the original four-level model presented by Kirkpatrick and this is the return on investment (ROI) level. An average of 120 to 450 percent of program type, target audience and assessment techniques have shown average ROI statistics in corporate training programs that are well organized using this model approach.[12]

Notably, T&D tends to be successful; this depends mostly on the transfer climate that is defined by the work environment factors that either promote the application of newly acquired skills or make it hard. Moderators of training transfer have been identified to include such factors as supervisor assistance, practice opportunity and peer motivation (Baldwin and Ford, 1988; Burke and Hutchins, 2007).

4.2 Career Development and Succession Planning

Career development entails the systematic planning, guidance and support that organizations give to help employees handle their career progressions as they go. These include programs on structured career progression, personal development plan (PDP), internal transfer program, position rotation, and succession programs. Performance-wise career development and performance is done through different ways and they are: skill sets and company knowledge increase, employee focus and engagement, reduction of turnover of talented employees, and ensuring a constant supply of young leaders.[13]

According to SHRM Foundation (2020), organizations with formal succession planning programs are two times more likely to perform well with financial performance as compared to their counterparts in the industry. A LinkedIn Workplace Learning Report (2023) showed that 94 percent of employees said they would stay longer with an organization that invested in career development suggesting such a conclusion with far-reaching consequences to the talent retention approach. The connection model between career advancement and retention is not just about attitude, but also actions. Working at a company with clearly defined career paths and visible advancement possibilities, the voluntary turnover rate is 28 to 34 percent lower than one in a company without these characteristics, which translates to sizeable revenue savings, because a mid-tier manager costs between \$50 and 200 percent a year to replace.[14]

4.3 Organizational Learning and Knowledge Management

Organizational learning as the broad concept of how organizations produce, retain, and distribute knowledge is a systemic HRD role that is at a greater level than single or program-specific education. According to Senge in his concept of learning organization (1990), businesses should develop five disciplines including systems thinking, personal mastery, mental models, shared vision, and team learning, to increase their adaptive capacity to working in highly challenging environments. Additional empirical evidence has supported the relationship between the organizational learning capacity and performance: Bontis, Crossan, and Hulland (2002) found that organizational learning processes were effective predictors of firm performance in different industries.

Codification, storing, and distribution of organizational learning are accomplished with the aid of knowledge management systems (KMS) as the basis framework. KMS can be business intelligence systems, experience networks, knowledge bases, and practice communities that are designed to accumulate and share knowledge. A Gartner study (2021) found that, with a high level of knowledge management skills, companies will reduce the time employees spend on searching information by a third, reduce the cost of training development by up to 25 percent and improve the quality of decision-making and reduce the number of costly mistakes.[15]

4.4 Mentoring and Coaching

Mentoring and coaching are relational HRD practices, which facilitate the exchange of knowledge, skills enhancement and development of psychological growth through personal relations. Mentoring is typically a more experienced person in the organization introducing a less experienced colleague into the organization in diverse career and personal development aspects, whereas coaching is typically more task-oriented, has a time limit, and insists on performance results. They both have demonstrated significant influences on individual and organisational performance.[16]

A meta-analysis done by Eby et al. (2008) which has looked at 43 studies has found a positive linkage between formal mentoring and objective career outcomes including salary, promotions and performance appraisals and the subjective

outcomes including job satisfaction, commitment with the organization and reducing job turnover desires. The executive coaching proved to be an investment with a very high ROI: a study of the International Coach Federation (ICF, 2020) showed that 86 percent of the organizations stated that they received the coaching investment back, which was 700 percent median with all costs accounted. The tremendous ROI is evidence of coaching in terms of its effectiveness in fostering leadership, improving the quality of decision-making, and addressing performance-limiting behavioral patterns directly.

4.5 Performance Management Systems

The performance management systems (PMS) are developed organizational strategies to establish the objectives of employees and the management of the performance, provide feedback, and relate rewards and growth opportunities to performance. PMS, when developed well, is a strong HRD tool because they provide clarity, goals, action motivation, development requirements, and ensures that the organizational resources are focused on areas where they contribute the highest value.

However, the research about the effectiveness of PMS is widely differentiated. Traditional annual appraisal systems on which many high-performing corporations have relied through the years have been widely criticised as dated, bureaucratic and a form of demotivation. According to the Deloitte 2015 Global Human Capital Trends report based on the survey of 3,300 business and HR leaders, 58 percent of the executives had to admit that their performance management process was ineffective. Companies like Microsoft, Adobe, Accenture and General Electric have transitioned to continuous performance management frameworks that involve frequent check-ins, instant feedback, flexible goal setting and developmental dialogues. The initial results of these pioneers show that continuing PMS is associated with high levels of employee engagement, faster skills development, and improved alignment between individual work and corporate objectives.[17]

4.6 Leadership Development

Leadership development can be discussed as the most strategically important factor of HRD because the quality of decisions made at all levels affects the performance within an organization in a profound way. Some of the interventions provided by the leadership development programs (LDPs) are formal leadership training, action learning programs, leadership simulation, executive coaching, 360-degree assessments, and cross-functional leadership activities. The primary performance focuses are improved levels of decision-making, greater motivation and engagement among followers, higher levels of flexibility in strategic thinking, as well as the development of change leadership skills.

Leadership development will have a high payoff in instances where the programs are well-planned and relevant to the setting. According to a McKinsey report (2022) companies in the top quartile in terms of the quality of leadership development were 2.4 times more likely to achieve their performance target, 1.9 times more likely to outperform their competitors in terms of financial performance and 1.5 times more likely to successfully traitor major strategic shifts. According to the estimate of the Center of Creative Leadership (CCL, 2021), the global corporate spending on leadership development amounts to an approximate USD 366 billion annually, which serves as a strong indicator of the general acceptance of leadership proficiency as a crucial organizational resource.[18]

5. HRD and Organizational Performance: Empirical Evidence

Human Resource Development is essential in terms of improving performance in the organization. Research carried out in different countries and industries suggests that there is a discernible improvement in productivity, innovation, financial performance, retention levels, and customer satisfaction in companies that focus on employee development.

5.1 Employee Productivity and Efficiency

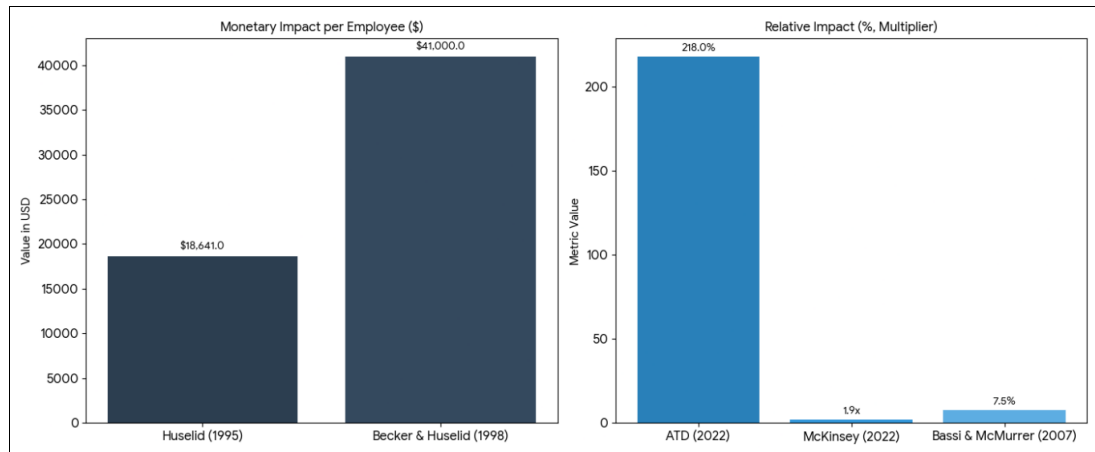
One of the findings of a study is the positive relationship that exists between HRD and employee output. Productivity is the volume of output that will be produced by an employee in a given period. It has been shown that training directly increases this result. As an example, the incorporation of more employee participation in the training programs leads to great productivity gains. Those companies that invest more in the training of their employees have a higher likelihood of creating value per employee. Extensive literature by international scholars also confirms that companies that are provided with structured training are much more productive than those that are not. At the higher level, economically productive nations are usually those that have more skilled workers. This is a clear indication that improvement of the employee skills is essential in ensuring better employee performance.[18]

5.2 Innovation and Organizational Adaptability

Innovation is another concept that is advanced by HRD, and it is the ability of the organization to create something new (idea, product, or process). Through training, the employees can be in a position to deal with problems in new ways, develop new solutions and share expertise between teams. The studies conducted in different countries show that companies that invest in learning and development. Companies that focus on improving their staff members are more likely to introduce new products and improve their processes. As suggested in recent global research, innovative companies invest more in HRD as compared to their less innovative equivalents. This means that the HRD is not just beneficial, but in most cases, a must-have when it comes to innovation.[19]

5.3 Financial Performance Consequences.

The effect of HRD on financial performance is not direct, but it is what matters. Training improves productivity, reduces employee turnover and promotes innovation, which would result in better financial performance. Research has shown that companies that have the best HR practices have more profit, generate more revenues per employee and have higher market value. Leadership development focuses more on performance compared to other companies that do not develop their leaders. Generally, employers who take the HRD seriously tend to record better financial performance in the long-run.



5.4 Employee Retention and Engagement

HRD is essential in upholding the satisfaction and involvement of the employees. Workers tend to become more dedicated to their work when they realize that their company helps them develop and they are not as eager to leave. Studies have shown that employees who receive growth opportunities are engaged and will not be willing to seek alternative jobs. Good participation leads to enhanced performance and lower turnover costs. Loss of skilled employees may be very expensive and hence investing in HRD offers organizations a chance to save on costs and remain afloat.[20]

5.5 Customer Satisfaction and Service Quality

After all, HRD increases customer satisfaction. Well-trained employees have increased ability, knowledge and confidence in how to deal with customers. This leads to better service, faster problem solving and relationships with customers. The Service-Profit Chain model shows that the better employees are developed, the better services they give to customers which leads to increased customer satisfaction and loyalty. Investigations in other industries like healthcare, banking and others indicate that organizations that have efficient training programs achieve higher customer satisfaction and improved overall performance.

6. Challenges and Barriers in HRD Implementation

Despite the overwhelming evidence of the relationship between HRD and organisational performance, there has been a significant gap between the potential of HRD as a theory and practice in many organisations. This gap can be attributed to the combination of multiple problems linked in terms of resources, culture, structure and measurement.

Perhaps, the most easily noticeable challenge would be the issue of resource limitations. The HRD programs require monetary resources in strategizing the program, creating the delivery systems, time constraints of participants, and assessments. To small and medium-sized businesses (SMEs), which are the largest number of employers in most economies, these costs may prove too complicated to bear in relation to their own capabilities. Employment Outlook (2022) by the OECD found that the participation rates of training within smaller companies presently below 50 employees or fewer are estimated to be 30 to 40 percent lower than in the case of larger companies which is a relatively larger gap that leads to resource constraints as well as higher costs that SMEs face in managing employee absences during the training process. HRD budgets are often the first to be cut in a time of economic downturn in a whole organization since it is believed that development is a luxury and not an essential investment which is not consistent with the strategic HRD literature.[21]

It is even a more subtle but equally significant barrier of measurement and attribution. Despite the overwhelming evidence between the HRD and performance on the population level, at the individual organization level, most organizations struggle to measure the payback on their specific level investment in HRD. This issue is based on several reasons: creating an HRD investment and results of performance may take time; it is difficult to attribute the impact of HRD to other performance-impacting factors; baselines may not be available before the intervention; and results are often based on activity metrics, such as the hours of training completed or courses taken, but not on outcome metrics, such as skill acquisition, behavioral change, and performance improvement. By the leaders not realizing the value created by HRD, they tend to cut down on the investment and create a vicious circle of lack of funding and performance.

The third important category of barriers is the organizational culture and the commitment of the leaders. HRD programs



particularly those that deal with organizational learning, cultural change and leadership development require the elders to show great encouragement and visible example. When managers consider HRD as a duty of the HR section instead of being an important strategic emphasis, workers receive unspoken messages that development is irrelevant as opposed to organizational success. The HRD implementation can only be successfully implemented by removing resistance to change, particularly resistance to change among middle managers who may feel threatened by the development initiatives or may feel that it is disruptive to the team's production. [22]

The fourth problem area is that of relevance and transfer. HRD initiatives well-designed and financed fail to achieve their optimum potential when the training material is not well aligned with the actual job requirements, when the organizational environment fails to support the transfer of behavior, and when there is no post-training follow-up. Research has shown that 60 or 80 of training content is forgotten an hour after the training is over without deliberate blanketing tactics such as practising in the real world, post-training coaching or post-training performance feedback based on the training objectives. The nature of organizations that perceive training as an event rather than a component of a broader performance support system has consistently low returns on their HRD investments.

The rapid digitization of HRD delivery methods is one of the reasons why technology readiness has gained greater importance. Despite the significant advantages of digital and blended learning on the issue of scalability, personalization, and cost-effectiveness, new equity concerns emerge as well. The systematic exclusion or disadvantage of the digital HRD programs may concern employees without digital capabilities, aged workers who are not comfortable with technology-based learning, and workers in places that have inadequate digital infrastructure. Companies that do not address this digital divide can add more to existing performance differences and provide new dimensions of inequality in labor.

7. Strategic Recommendations

Based on the synthesis of theoretical concepts, empirical evidence, and challenges of implementing HRD investments as discussed in this paper, the following evidence-based recommendations are offered to HR professionals, organizational leaders, and policymakers who have the desire to improve the performance impacts of HRD investments.

7.1 Recommendations for Organizations

Aligned HRD to business purpose through regular competency gap analysis in linking workforce skills and strategic priorities. The HRD initiatives should be designed and evaluated in a manner that explicitly spells out the outcomes of the organizational performance they are meant to improve. HRD planning process should not be considered as a separate administrative activity but should be integrated with the strategic planning cycle, which should be done annually.

Adopt a multi-dimensional HRD model rather than relying on individual training sessions. There is a body of evidence that consistently points to activities or practices that are most successful in HRD involving the incorporation of training and development, career advancement, mentoring, performance evaluation, and organizational learning in an integrative, mutually reinforcing system. Organizations should check their HRD portfolio in order to identify gaps and overlaps.

Backgrounds: investing in a robust HRD measurement system. Organizations need to develop baseline measures before undertaking any interventions of key performance measurement, establish specific learning and performance objectives of each HRD program and collect data on both intermediate results such as skill growth and behavior change and downstream results such as productivity and financial performance. Use of control group or quasi experiment designs where feasible goes a long way towards improving the reliability of impact estimates.[23]

As a leader, promote the culture of learning through expressing learning behaviors. Top leaders disclosing their personal experiences in learning, participating in training programs, and constantly discussing their experiences show the rest of the organization that development is a process worthy of attention and legitimacy. The cultural preparedness to organizational learning can be measured and tracked through surveys such as those that Watkins and Marsick (1997) have developed.

Use digital learning and analytics to personalize HRD at scale. In front of AI-based learning experience (LXP) and current learning management systems (LMS), organizations enable customized learning paths, are able to identify individual skill gaps, and keep learning participation and learning progress in real-time. These capabilities of digital HRD infrastructure should be invested in by organizations, and problems of the digital divide should be addressed through digital literacy programs as well as enabling technology accessibility.

Raise the development of leadership as a strategic business investment in HRD. Because of the significant effect that the leaders have on the organizational culture, employee engagement, and quality of the decisions made, the leadership development initiatives must be considered as a high-priority and highly paying investment in human resource development. These initiatives should be evidence-based contextualized and linked to specific leadership competency frameworks that should follow the organizational strategy.[24]

This involves strengthening the transfer climates through restructuring of the work environment to make it possible to use the newly acquired learning and skills. This will include the provision of structured opportunities to practice new skills in the workplace, the supervisors in setting post-training development goals, creating peer learning teams and restructuring job designs as necessary to accommodate the new skills.



7.2 Suggestions for Decision-Makers

Develop national incentives on HRD investments like tax credits for training, co-investments, and subsidized growth schemes to small and medium enterprises (SMEs). As small organizations have the biggest resource constraints in the investment of HRD and they provide the greatest number of jobs in most economies, designed policy support can significantly reduce the training participation divide and its associated productivity costs.

Establish national HRD arrangements and workforce standards that provide organizations with dependable findings on the right way of how to build their workforce, reduce redundancy, and improve the appropriateness and merit of training programs in different industries. Singapore, Germany and South Korea are some of the countries that give good examples of the efficient national HRD governance that other countries can adapt to their specific institutional contexts.[25]

Allocation of funds towards research infrastructure regarding HRD will help to promote comprehensive and long-term empirical studies to track the effect of HRD investments on organizational performance over time. The current literature, despite its size, is not well balanced considering that it was harvested by great organizations in North America and Europe. It would be highly beneficial to generalize this evidence base by including the SMEs, companies in developing economies, and non-English language backgrounds to make the findings more applicable.

The results of HRD should be incorporated into national productivity assessment systems. Currently most national statistical systems measure rates of involvement in training; however, they do not systematically evaluate the relationship between training investment and productivity outcomes on the organizational or sectoral level. Developing more sophisticated systems of HRD to measure productivity would help to create more efficient policy-making.

The public and the private sectors should be encouraged to work with each other in workforce development, particularly in those industries where the gap in skills or technological advancement is vast. Such system failures can be countered with collaborative models where the governments, schools and employers jointly develop and fund training as a remedy to poor general skills training levels.[26]

3. 8. CONCLUSION

This study clearly shows that Human Resource Development (HRD) plays a vital role in promoting organizational performance. Being well organized and aligned with the goals of the business, HRD becomes one of the most effective tools of promoting continuous success and achieving competitive advantage. The identified theories have been applied in this paper to explain why HRD is so effective. Human Capital Theory focuses on the importance of investing in a worker so as to increase his or her skills and productivity. According to the Resource-Based View, the talented workers become valuable resources that are very difficult to imitate by rivals. Social Learning Theory illustrates that workers can learn through training and apply the new knowledge to their work and thus, perform better.[27]

These ideas are strongly supported by the findings of the research. Those corporations that invest in HRD are also superior in many ways. They have higher productivity of their employees, greater innovation, better finances, decreased employee turnover, and customer satisfaction. The influence is significantly high. Similar findings include the development of excellent performance, revenue, and retention of employees and approval in organizations that focus on training and development. However, a number of challenges are also recognized in the document. Many organizations experience limitations on resources, difficulty in evaluating outcomes, resistance to change, and inequality in access to digital resources. These issues can reduce the efficiency of the HRD initiatives. Organizations need clear strategies, proper planning and continuous evaluation to cope with them.[28]

There are significant fields for upcoming research. Extended research can aid in comprehending the effects of HRD on performance throughout the years. Research is also necessary to comprehend the role of HRD in different cultural and national contexts. Moreover, the growing use of digital learning technologies and artificial intelligence requires new methods of learning and the realization of HRD. Overall, HRD is not only a singularly relevant area.[29] It is also important in the growth and development of the country. Today's world is changing so fast; any entity or nation investing in people would perform better. Firms that do not pay attention to employee development will not be able to compete. So, HRD should not be treated as a cost, it should be treated as a critical investment of success in the future.[30]

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