

# MEASURING THE IMPACT OF HUMAN RESOURCE DEVELOPMENT (HRD) PRACTICE ON EMPLOYEE PERFORMANCE IN HRTC

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## ABSTRACT

This paper puts forth the importance, need usefulness, increasing demand and benefit of the HRD to the corporation by undertaking a study in HRTC covering employees of different cadre, age groups and level of experience. The objective of this paper is to deal with status of HRD practices of HRTC and impact of these practices on employee's performance. For the analysis of HRD operation in HRTC, Shimla Head Office has been selected. To fulfil the requirement of this study, information was collected from 115 employees by using the questionnaire. The questionnaire was framed by literature review. The analysis showed there is a significant impact of HRD practices (recruitment and selection, training and development, compensation and performance appraisal) on employee's performance in HRTC. The result also showed that the compensation variable has the most impact on employee's satisfaction. That indicates the respondents agree with the importance human resources practices and have a positive view points toward it effect on their performance.

## KEY WORDS

Human Resource Development, Performance appraisal, HRD Practices, HRTC, Employees

## INTRODUCTION

Human resource development forms an integral part of the policy designed for building up the skills required for economic development and for providing individuals with productive and socially gainful employment. Human resource development implies a process of building of the knowledge, the skills, the working abilities and the innate capacities of all of the people in the society (Singh 1971) .Transport is the glue that holds modern society together-the collective identity and consciousness-the sense of being a nation, the political system, and the economic and industrial structure- depends on the rapid transit of people and materials (Buckton 1982). In the 21<sup>st</sup> century HRD remains important force for the future. According to Mc Logan, HRD may be the only function in a clear position to represent human ethics and morality. Problem of HRD of employees working on HRTC is any acute. The corporation is fail to providing quality of training to impose new skills in the employees. Human resources play an important role in development and growth of any organization and for that matter of any economy. Among all the factors of Production only human resources are living being and have unlimited capacity and potentials.

Such capacity and potentials of human beings can be developed for the benefit of organization by applying proper strategies. Human beings are not only active factor of production in itself but it also activates other inactive and inert factors of production like money, materials, machines and methods. In this present age of globalization depends on the proper development of its human resources. (Narayan, Rao 1987)

Human resource development includes training a person after he/she is first hired, providing opportunities to learn new skills, distributing resources that are beneficial for the Employees tasks, and any other developmental activities. HRD can be defined as a set of systematic and planned activities designed by an organization to provide its employees to generate and develop their competencies through learning necessary skills to meet current and future job demand. Road transport is indispensable for the development of the economy of a country. It remains the elementary choice of mobility of people and transport of goods due to its dexterity in utility, efficiency and inimitable littleness enhanced by a flawless link to other transport means. Unlike other resources, human resources have rather unlimited potential capabilities. An efficient transport system is a prerequisite for sustained economic development. It not only is the key infrastructural input for the growth process, but also plays a significant role in promoting national integration, which is particularly important in a large country like India. HRD deals with all types of skills, the present and the future organizational needs and aspects of the contribution to not only organize but also other goals.

### **CONCEPT OF HRD**

HRD concept was first introduced by Leonard Nadler in 1969 at a conference in the US, "He defined HRD as those learning experiences which are organized, for a specific time and designed to bring about the possibility of behavioural change". The concept of HRD scorecard was introduced in India by T.V. Rao and Dr. Udai Pareek. He is regarded as the father of HRD in India. Larsen and Toubro were the pioneer in India to design and implement an integrated HRD system in the 1970s. HRD includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning key employee identification, tuition assistance and organizational development. It emphasis how the HRD can boost the morale of the work force and enhance the self-confidence and derive more job satisfaction. Human resource development is the part of human resource management that specially deals with development of the employees in the organization. In recent years states have increasingly undertaken road transport in their own hands and have started running their services on numerous routes either through their transport departments or through some sorts of corporations.

Human resources are the most important success factor for any organization. Finding, training and rewarding employees are an ongoing challenge for any organization. There are numerous factors that enable companies to create a culture those managers their human resource factors successfully. Corporations are managed through various resources like capital, machinery, plant, material and men. All other resources can be bought, sold, changed and moved at will, whereas human resource is the most difficult to treat the same way. However, human resource is most important to make best use of all other resources and hence corporate need to develop various approaches to deal with it for achieving the common objectives. The best of plan, machinery and facilities can't ne any use useless employees put them to optimum usages for planned objectives of the corporation. Prof. Harbbinsson and Meyers aptly defined human resource development as "the process of increasing the knowledge, the skills and the capacities of all the people in a society" (Manonmani 2018).

### **HRD STEPS**

- Manpower planning
- Recruitment, selection, and placement
- Training
- Job rotation
- Data bank
- Selection
- Performance appraisal
- Potential development
- Organizational development
- Transfer and demotion
- Employee, employer relation
- Career planning and development

### **LITERATURE OF REVIEWS**

HRD is a framework for helping employees develops their personal and organization skills, knowledge and abilities. Training on the other hand is an organizational efforts aimed at helping an employee to acquire basis skills required for effective and efficient execution of the function for he or she is hired, i.e. having focus on technical skills, supervisory skills, and relatively specific areas of accounting methods, material management and planning techniques. (Susan 2012). HRD is the integration of individual, career and organization development roles in order to achieve maximum productivity, quality, opportunity and fulfilment of organization members as they work to

accomplish the goals of the organization (Pace, Smith, and Mills 1991). HRD signifies an effort aimed at “qualitative improvement of human beings in their specific role as assets of an organization.”HRD intrinsically recognizes that people are the organization’s singularly important and valuable resources and that they need to be developed in terms of their knowledge, skill and attitude for achieving their personal as well as organizational goals. Because only dynamic people can build dynamic organizations, only competent and motivated people enable an organization achieve its goals (Salonke 2002).

A lot of studies have been conducted in the field of human resource development. Very few studies have been conducted on HRTC however; there is no study in the field of human resource development in HRTC. The area of human resources development has remained neglected from the research point of view. HRTC is a well established public sector, which must prove its strength and weakness continuously concentrating on improving human resources which are considered to be a vital asset for any organization and the progress of any organization depends on the skilful human resource. The present study has analysed the human resource development in HRTC

### **OBJECTIVE OF THE STUDY**

In the light of assumptions that HRD practices in the corporation can encourage considerably the moral and enthusiasm of employees, the researcher had framed the following objectives to be achieved:

- To study the status of HRD practices of HRTC
- To examine the impact of HRD practices on employees performance of HRTC.

### **METHODOLOGY**

The present study is mainly explorative and analytical in nature with the use of both primary data and secondary data. The secondary data was obtained from different libraries, books, journals, and magazines. Apart from this various memo graphs and project reports were consulted. The secondary data needed for this study have been collected from the Head office of the HRTC. Various publications of government of India and government of Himachal Pradesh are consulted. The primary data was collected from the trusted questionnaire/schedules.

### **SAMPLING**

For the study of human resource management practices in HRTC , Shimla Head Office has been selected. These units will be divided into the following categories of employees:

- Top Management Group
- Middle Management Group
- Lower Management Group

## ANALYSIS AND RESULTS

This research study primarily investigated the linear relationship, the level of significance the influence of HRD practices (recruitment and selection, training and development, compensation and incentives, performance appraisal) on employee's performance in HRTC. The analysis of this study includes correlation, regression and descriptive statistics, so as to obtain an easily comprehensible picture of the agreement level for the contents of that particular statement among the respondents, as a group, at that particular staff level with in that particular category of the corporation.

**Table – 1: Category wise detail of Human Resource in HRTC**

Cadre	Total Sectioned Post		Persons in Position Regular		Person in Contract		Vacant Seats	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Administrative	1018	1018	433	427	90	84	-495	-507
Operational Staff(Drivers and Conductors)	9082	9082	5236	5224	3068	2888	-778	-970
Checking	401	401	283	280	0	0	-118	-121
Workshop	2477	2421	756	880	437	282	-1284	-1259
Store staff	315	315	153	147	0	1	-162	-167
Other staff	401	401	215	208	3	5	-183	-192
Total	13694	13694	7076	7166	3598	3260	-3020	-3268

Source: secondary data from HRTC head office.

As per the data provided by the HRTC Head Office Shimla the total sanctioned post in 2017-18 is 13694 same in the year 2018-19 but the Person appointed at Regular basis is 7076 in 2017-18 and 7166 in 2018-19 where as the Person in contract basis is 3598 in 2017-18 and 3260 in 2018-19 which shows that there are lots of vacancies in HRTC in 2017-18 is -3020 and in 2018-19 is -3268. So the staff working in HRTC are almost over burdened due to shortage of staff.

## HUMAN RESOURCE DEVELOPMENT AND EMPLOYEES PERFORMANCE

The effect of HRD on the organizational performance have been extensively studied in the recent past with a positive relationship observed between HRD and firms performance ( Rizov and Croucher,2008).The objective of human resource development is to improve the performance of organizations by maximizing the efficiency and performance of people. The researcher asked the respondents to measure the impact of HRD practice on employee's performance.

**Table – 2: HRD and Employees Performance**

	Training in the corporation has helped employees to improve their performance	
	Frequency	Percentage%
Strongly Agree	20	17.3
Agree	80	69.4
Neutral	8	6.9
Disagree	4	3.4
Strongly Disagree	3	3.0
Total	115	100

Thus in the above table demonstrates that 17.3 and 69.4 agreed and strongly agreed in training in the corporation has helped employees to improve their performance. On the other hand 6.9 and 3.4 respondents were neutral and disagreed respectively. The response shows that HRD practice has a remarkable impact on the performance of employees in the corporation.

**Table – 3: Descriptive statistics of Recruitment, planning and selection**

Statements	Mean	Standard Deviation
The corporation attracts high quality employees	3.41	1.150
The corporation recruitment is fair	2.36	1.172
Planning , Recruitment and selection process is transparent	3.00	1.115
Total	8.77	3.437

The above table shows the arithmetic mean of Recruitment, planning and selection .It is observed that high mean was to item “The corporation attract high quality employees” with mean 3.41 and S.D of 1.150 while the lowest arithmetic mean was to item “The corporation recruitment is fair” with mean of 2.36 and S.D. of 1.172.These result shows that the HRTC attracts and retain employees with high skills and abilities but the recruitment process for new employees is unclear to the employees.

**Table – 4: Descriptive statistics of Training and development programs**

Statement	Mean	Standard Deviation
The corporation is concerned about the quality of training	3.52	1.054
The corporation adopts continuous training to improve performance.	3.63	1.132
The corporation uses advanced technology in training and development programs.	3.39	1.140
Total	10.54	3.326

The above table shows that the “The corporation adopts continuous training to improve performance” with a mean of 3.63 and standard deviation of 1.132.While the least mean in the statement “The corporation uses advanced technology in training programs” with a mean of 3.39 and S.D of 1.140.This indicates, that continuous training programs that the corporation provides to its

employees is an important variable, and the corporation need to provide advance technology in training and development programs.

**Table - 5: Descriptive statistics of Compensation and incentives**

Statements	Mean	Standard Deviation
The corporation uses compensation and incentives programs based on performance.	3.05	1.112
The corporation provides employee with the type of benefits they need.	2.16	1.061
The corporation uses fair incentive system	2.23	1.102
Total	7.44	3.275

Above table indicates that there are positive attitude towards the above question. The most influential statement was that "The Corporation uses compensation and incentives programs based on performance. While the least mean in the statement "The corporation provides employees with the type of benefits they need" This indicates that the employees of the corporation are satisfied with the compensation approaches that corporation takes in which they take their performance as a base of compensation.

**Table - 6: Descriptive statistics of performance appraisal**

Statement	Mean	Standard Deviation
The corporation handles the employee's complaints.	3.10	1.210
The corporation is aware of its employees 'opinion'.	2.64	1.131
The corporation evaluation system is fair and honest.	2.65	1.235
Total	8.39	3.576

Above table indicates that there are positive attitude towards the above question. The most influential statement was that "The Corporation handles the employees complaints" while the least mean statement was "The Corporation is aware of its employee opinions "This indicates that the corporation hold the accountability for their employees work but they need to raise their awareness for employee's opinions.

## CONCLUSION

The purpose of this study is to explore the impact of HRD practices on employees' performance in HRTC. The finding of current research study illustrate that the HRD practices (recruitment and selection, training and development, compensation and incentives, performance appraisal) are positively related to employee's performance. Employees have an important and strategic role in the corporation. Therefore, best practices of HRD stimulate corporation employee's performance which in turn improves corporation performance. So, corporation realize the importance of stimulating corporation employee's performance.HRD practice has a remarkable impact on the performance of employees in the corporation and the corporation is practicing fair treatment in providing training to all its employees. HRD practices in the

corporation doesn't decreased turnover of employees, this is because of other factors like need for better salary and status they leave the corporation. The study revealed there is an impact of HRD practices on employee's performance in HRTC either collectively or separately. This indicates that HRD practices play a major role in employee's performance in the corporation regardless of their activities.

## **SUGGESTIONS**

The investigation has clearly identified the HRD practices dimensions needing only a little more flip, needing re-enforcement and those needing re-designing. For elevating the HRD practices to an excellent level in the corporation, it is recommended that the present human resources policies of the corporation be re-oriented towards the personal and professional development of individual employees this shall, more specifically require:

- Leaving behind the personnel practices that are generally in sensitive to the individuality and the development needs of the employees.
- Creating an environment for the self-motivated personal and professional growth of the employees.
- Expertise and professionals should be preferred at key posts. The board constitution should be balanced and should give equal representation to politicians, bureaucrats, academicians and professionals. Managing Directors of the corporation must be professional instead of being an IAS officer. The Financial Manager must be Chartered Accountant and for running the day to day administration.
- The corporation should work on their globalization policies, etc to enhance the performance and satisfaction of employees by making some significant changes in HRD practices.
- The Top level i.e. the corporate office level or head quarter of HRTC is heavy. It needs proper rationalization by fixing some norms.
- It is further suggested that all the policies and strategies should be practical and should be followed in the commercial and management principle.

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