



**IMPACT OF HUMAN RESOURCE DEVELOPMENT ON
PRODUCTIVITY OF EMPLOYEES IN SERVICE FIRMS IN USA**

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ABSTRACT

Purpose of the study: The study sought to examine the impact of human resource development on employees' productivity in service firms in the USA. Human resource development plays a crucial role in the nation's economic growth.

Statement of the problem: The employee turnover within the service industry in the country has been growing. Individuals have complained in some cases and have gone on strikes rampantly.

Methodology: The study employed a desktop review. The study's conclusions were based on the findings from the previous studies.

Findings: The study discovered that human resource growth is essential for increasing productivity, particularly in companies that offer exceptional services. Human resource development is meant to efficiently utilize an available knowledgeable workforce and adequately use existing human resources in the organization.

Conclusions: The study concluded that organizations are required to reassess the way they represent themselves regarding brand image and make sure that their culture is attractive to potential applicants. Additionally, there is a need to keep up-to-date with recent human practice

procedures to attract the most effective professionals who would certainly intend to be related to the company.

Recommendations: The study recommended that more sensitization be carried out in the area of on-the-job training to promote efficiency and effectiveness in the management of procedures in the firm. The organizations are expected to review their human resource development practices to equip staff members with needed skills and attitudes.

Keywords: *Human resource development, Productivity, Service Firms, United States of America*

INTRODUCTION

Human resource development plays an essential role in the economic growth of the nation (Brooks & Nafukho, 2018). Human resources have actually played a significant duty in the economic growth in a lot of developed nations like United State of America, Britain and Japan among others. Human resources development is the process of investing in people to ensure that they are equipped to perform efficiently. These processes belong to an overall human development strategy that hopefully may result in people being encouraged to perform better. Human resources development is considered as important variable for enhancing productivity especially in organizations that provides special services like tertiary institutions (Al Shobaki, Naser, Amuna & El Talla, 2019).

The typical concerns about HRM are found amplified in the context of HRD, and performance in work and organizations (Francis and Keegan, 2020). The assured outcomes are enticing: win-win outcomes for people, companies and countries in the worldwide economy, HRD for individuals to gain entry to work and occupations with profession success, HRD for organizations to improve and increase standards of performance and success, and HRD for countries to compete and prosper. These are the assured results of HRD, and although attaining them can bring the highest satisfaction, it additionally includes a few of the greatest work that lots of people, companies and nations will certainly experience.

Human Resource Development makes individuals more qualified (Nguyen, 2019). HRD creates new skill, understanding and mindset of the individuals in the concern organizations; with suitable HRD programme, individuals become more committed to their work. Individuals are gauged on the basis of their performance by having an appropriate performance assessment system, an environment of trust and respect can be generated with the assist of human resource development

and reputation toward change can be generated with the help of HRD (Garavan, Morley, Gunnigle & Collins, 2021). Workers become more equipped with problem solving capacities.

The upsurge has additionally fuelled the increased competition in the national and international markets that has further urged the companies in hiring and retaining highly talented employees. Numerous firms hinge on their staff members to gain advantage in the competitive market. Consequently, they are strongly associated to the efficiency of their human resource and their human resources development (Ferguson and Reio, 2018). Human resource development consists of activities such as HR preparation work, human resources management, strategic recruiting, staff member training, development compensation management, efficiency, employee relations, healthcare, worker satisfaction and provision of staff member services (Armstrong, 2020). It consists of policies and practices set to enhance organizational performance, engagement of workers and work quality.

Gurbuz and Mert (2021) argued that having human resource development practices in place would positively enhance the companies' performance; like, revenue returns, benefit competition and market share. Human resource development is meant for proper utilization of available knowledgeable workforce and additionally to make efficient use of existing human resource in the organization. Human resource development is recognized to affect skills, abilities, attitudes, behavior and understanding of workers and for that reason it might affect the firm performance. The alignment of human resource management with the approach of company and the alignment of various practices of human resource management like training, appraisal and career opportunities within the company are known to be important aspects in determining the relationship in between firm performance and human resource management (Harrison and Bazy, 2020). When human resource management within organization is lined up accordingly the workers understand what is expected of them and may therefore perform similarly and have very same expectations regarding behavior and work.

Human resource systems can contribute to sustained competitive advantage through facilitating the growth of competencies that are firm particular (Çalışkan, 2018). The sustained high performance of numerous firms has been attributed to distinct capabilities for managing human resource to get competitive advantage. Alternatively, to the degree that human resources systems prevent the mobilization of new competencies and/or ruin existing competencies, they may

contribute to organizational susceptibility and competitive drawback. Human resource management, the management of work and individuals towards desired results, is a fundamental task in any kind of firm in which human beings are employed. It is not something whose existence requires to be elaborately justified: HRM is an inevitable repercussion of starting and expanding a firm (Morris and Farrell, 2019). While there are a myriad of differences in the ideologies, styles, and managerial resources engaged, HRM takes place in some form or other.

The human resources development and the expense that is created are viewed as cost instead of investment. Barney and Wright (2018) noted that the current culture of recognizing advantages of HR development hinders numerous firms to determine and to enhance their awareness regarding the relevance of investment in human resources development. Even if technology is viewed as one of the most essential elements of development, nothing can lessen the reality that values are developed by people; even the technology itself is or represents the knowledge or imagination of human resources.

LITERATURE REVIEW

Productivity is increased by technological innovation which in turn enhances growth of the United States economy during the 1990s. US economic success has caused labor shortages that are advocating for firms to participate in innovative recruitment and retention practices and to employ workers from non-traditional sources, leading to a much more varied workforce. Human resources professionals are realizing that they are required to update their technical skills and come up with systems for handling more virtual organizations. Human resource is additionally attempting to become more of a strategic partner in companies (Boateng, 2019). Human resources has the prospective to develop competitive advantage for organizations by successfully mixing a credibility as being an employer of choice with a high performance work system and an effective set of incentives.

Delaney and Huselid (2018) research studies the effect of human resource development on the performance of state organizations in the USA. In a quickly changing economic environment, defined by patterns like, globalization, increasing demands of investors and clients, along with rising goods in the market competition, the state organizations continually attempt to increase their efficiency by decreasing expenses, renewing goods and process, and enhancing quality in order to finish and continue in the environment. A measurable study approach was used to assess the

current research. The sample picked for the research was 300 participants. The results exposed that all hypotheses were declined except one which stated that " Decentralization is favorably related to firm performance". Hence, it was discovered that decentralization have a favorable relation with the firm performance.

Hitka, Kucharčíková, Štarchoň, Balážová, Lukáč and Stacho (2019) noted that in a changing competitive economy, human resource is among the essential source of competitive advantage. Human resource systems can add to sustained competitive advantage through facilitating the growth of proficiencies that are organization specific. Strategic human resource growth concerns about the development of a linkage between the total strategic aims of business and the personnel technique and execution. The released study typically reveals favorable analytical associations in between the greater fostering of HR methods and service efficiency. The causal linkage between HR and business performance will certainly make it possible for the HR supervisors to organize programmes which will certainly produce good operational outcomes to achieve more organizational performance. In the study, after highlighting that the human resource as a vital source of competitive advantage, critical human resource development is specified. Through specific examples from academic study pertaining to the effect of strategic human resource growth methods on business performance, the conclusion is that the means a company handles its human resources has a considerable partnership with the company's performance.

Yusof and Yusof Kasim (2018) conducted study in Malaysia on Human Resource Development and crucial role it plays in the economic growth of the nation. In spite of government policies urging the execution of HRD tasks, and the significant infrastructural and financial assistance given, the advantages or results of the HRD tasks being carried out and given to staff members have not been examined. The objective of the research was to take a look at the results of HRD interventions using the basic factors of HRD's interpretations. This research utilized combined strategy, integrating questionnaires and interviews with human resources professionals. The results recommended that HRD programs and tasks being implemented and given to workers in production organizations in Malaysia create personal and team growth, in addition work process enhancement, but do not support HRD strategic planning for business change. This research suggested that HRD programs and tasks implemented had not been purposefully intended and lined up with organizational objectives and visions.

Erdoğmuş and Esen (2021) performed research which tried to evaluate theoretically the HRD and its matrix and discovered the positive connection between HRD and firms' performance in Turkey. In HRD reveals the various variables (results) like HRD tools, HRD processes & climate variables and firm sizes. HRD impacts the company objectives that might arise from higher productivity, cost decrease, high earnings, good picture and more pleased consumers and stakeholders considered as company dimensions HRD tasks, because of this, do not decrease costs, boost quality or quantity, or benefit the business at all. It is the on-the-job applications of learning that inevitably can decrease expenses and boost quality. In the business context, as a result, HRD implies a process that assists staff members of a particular firm to enhance their practical abilities for their current and future duties, to establish their overall capacities, to harness their inner potentialities both for their self and firm growth and, to establish organizational society to suffer unified superior-subordinate partnerships, teamwork, inspiration, quality and a feeling of togetherness. The research additionally examines Kajian Design of HRM to reveal the path of systems that could bring about competitive advantage. Presently rapid changing environment contemporary companies are extra careful to endure in the competitive advantage associating with HRD our research has been performed to assist the management trainees, academicians, and specialists to know the subject appropriately and increase their understanding concerning HRD network within the company for its efficiency.

Wright and Snell (2018) discovered that human resource development consists of a process of observation, planning, action and evaluation to handle the cognitive capabilities, capacities and habits required to increase and enhance personal, group and organizational performance in work companies. It has several dimensions, covering educational attainment, labor force abilities, population health and the set of work plans that offer businesses with workers with the ideal skills and the capability to adjust swiftly to new obstacles. The high quality and flexibility of the manpower is a key driver in developing a beneficial environment for both domestic and international business to expand with new investment and to adjust rapidly to changing scenarios. The purpose of the study was to develop the results of personnel growth on staff member business dedication in business financial institution in Pakistan. This research embraced a cross section survey which included observation of an entire population or a representative sample at one specific point in time. Because the study was a survey, the study used all banking institutions in the Area. The study population comprised of 36 commercial institutions tasted within the Region

based on Reserve Bank of Pakistan record of 2017. The research made use of primary information gathered via the use of organized questionnaires. The outcomes from the research showed that the Human Resource Development methods performed by the firms are much more for inherent use within the financial institutions as opposed to all-natural development of the worker as a productive member of the society. The research recommends that taken on in a mix of industries to contrast the findings in between the studies in different markets such as to determine whether the findings are global to all sectors or specific to certain markets.

Shrouf, Al-Qudah, Khawaldeh, Obeidat and Rawashdeh (2020) examined the impact of human resources growth on workers' productivity in Canada. The demand for maximum optimality of intellectual resources to fulfill the desired objective of high productivity, proficient and inspired workforce has been the desire of every company. To attain this juicy objective requires an alternative and vigorous human resources growth. Data were collected from both primary and secondary sources and examined making use of table, mean as well as 5 point's likert scale. The research evaluated that human resource growth is critical to employees productivity and the socio-economic fortunes of the people hence advises that: the firm needs to synergize in between human resources development and workers abilities and capability, sufficient cash must be given to urge human resource development and routine review ought to be conducted to determine the extent to which human resource development has been achieved.

Ichniowski and Shaw (2019) conducted study to check out the impact of human resource development methods on intention to leave, and to take a look at the mediating impact of organizational commitment on the partnership in between the HRD practices and objective to leave of staff members of a service organization in India. Most of the prior HRD methods employee turnover studies have been from the human resources supervisor's viewpoint. This research took a various technique and researched this partnership from a worker's viewpoint. Internet survey questionnaires were utilized to gather the data from 183 staff members operating in a service firm in India. Multiple linear regression and ordered linear regression analysis were conducted to examine the theories. The research discovered not just that the HRD practices lower worker intentions to leave, but also that this connection is partly moderated by organizational dedication. The outcomes of the research not just supported that companies must concentrate on worker understandings of the organizations' HRD practices however also showed that human resources

should surpass establishing policies and procedures to giving an employee-friendly work environment.

Demo, Neiva, Nunes and Rozzett (2021) argued that given the critical importance of Human Resources Development in companies and the lack of scientific tools to gauge workers' assumptions concerning policies and practices of HRD, the research intended to validate the Human Resources Development Policies and Practices Scale with exploratory and confirmatory variable evaluation utilizing the maximum probability approach. The research has a quantitative style, but additionally consisted of qualitative analysis needed for the development of a scale. Workers of different companies gave out a sample of 700 individuals. A six-factor design was produced revealing high-reliability and good fit. Construct validity was given with convergent and discriminant analyses. The variables were consistent with the literature review and explained around 60% of the construct's overall variance. The research contributes to the scientific production in the segment of Human Resources development because HRDPPS can be made use of not only in relational studies yet likewise as an evaluation instrument by directors who wish to enhance their workers' well-being and organizational results.

Lin, Cai and Li (2020) performed study which tried to reveal the obstacles of human resources development, encountered by post conflict nations that are passing the transition phase from closed to open economies. The research has been constructed via an extensive literature survey of Kosovo's companies to figure out the most usual difficulties that are being faced via the transition stage. Moreover, the purpose of this research is to check out the standing and obstacles of human resource development by Kosovo's companies. As enlighten by various researches, numerous obstacles might relapse by various approaches and forms that modern (established) economies are executing, like government intervention, employment and education, social recognition, and additionally modifications within firms themselves, are the key factors which influence human resource and its growth. As the period of worldwide economy is reaching all European nations, Kosovo should prepare its human resources possible to encounter and to be able to get rid of new obstacles which will certainly be dealt with, when going international. To be able to let loose the complete capacity of human capital in Kosovo, the HRM effort needs to be carried out, like its academic system, improvement of training and growth of tasks, specifically in management, growth, and primary producing new data base on information and communication technology.

Yeung, Warner and Rowley (2018) argued that the main motive of the study is to highlight the resemblance and disparities of people-management system amongst the vital economies in East Asia. The research not just notes what aspects do exist in Eastern people-management system, but likewise analyzes various other new factors being used right into the present system with the impacts from the United States and Australia. The researcher evaluates the details on the changes of people-management system, elements causing the changes and time. The typical sensation is that when there is a crisis, then that may offer some possibilities for radical adjustments. The researcher concludes the study by explaining that HRM is in a reforming process towards hybrid people-management system in East Asia. Nonetheless, these changing procedures are not one-way only. A triangle-influence in between East Asia, Australia and the United States is the fact. Additionally, multi-factor are forming the result of changing people-management system in East Asia, determined as foreign influence, the State's influence, the phase of social and economic growth, and nationwide and firm historical path.

RESEARCH FINDINGS

The study discovered that human resources development is thought to be crucial variable for increasing productivity especially in companies that uses special services. Human resource development consists of activities like human resources preparation work, human resources management, strategic recruiting, staff member training, growth compensation management, efficiency, employee relations, healthcare, workers satisfaction and provision of worker services. Human resource development is critical to employee's productivity and the socio-economic fortunes of the people hence advises that: the firm needs to synergize in between human resources development and workers abilities and capability; sufficient cash must be given to urge human resource development and routine review ought to be conducted to determine the extent to which human resource development has been achieved.

Additionally, the study discovered that having human resource development practices in place, would favorably boost the organization's performance; like, revenue returns, benefit, competition and market share and the means a firm manages its human resources has a significant relationship with the organization's performance. Human Resource Development creates new skill, expertise and attitude of individuals in the particular organizations; with appropriate Human Resource Development programme, individuals become more devoted to their activities.

CONCLUSION

The research concluded that organizations need to reassess the ways they depict themselves in regards to brand image and make sure that their culture is attractive to prospective applicants. Also, there is a need to keep up to date with current human practice procedures so as to bring in the best specialists who would wish to be associated with the firm. A few of the HRD practices conducted by the firms are more for innate use within the companies instead of holistic development of the worker as a productive participant of the society. The companies ought to synergize between human resource development and workers skills and capacity, enough capital should be offered to motivate human resources development and periodic review ought to be carried out to check out the degree to which human resources development has been completed.

It was further concluded that, there needs to be an overall benefit approach that connects the reward system with organizational goals via initiatives such as performance based pay. It is also really essential that the reward processes be plainly communicated to employees to make sure that they can appreciate them. In adopting a total incentive method, the company is able to link other human resource practices such as skills development to encourage workers.

RECOMMENDATIONS

The study suggests that organizations are required to put systems in place to make sure that all stakeholders know the company's culture, framework and human reward practices so as to draw in the most effective applicants. The company must proceed with its efforts to keep the best standards. Furthermore, it is suggested that even more sensitization need to be done in the sector of on-the-job training, so as to enhance performance and effectiveness in the management of procedures in the organization. The organizations are encouraged to evaluate their HRD practices to equip workers with more globally appropriate skills and attitudes that they may not just apply in various other organizations in the same industry but various other markets and their life after retirement.

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