The Effectiveness of Human Resource Management (HRM) and Human Resource Development (HRD) on Performance in Competitive Priorities

Dr. Pragya Sharma[1], Dr. Milind Limaye[2]

Associate Professor Department of Management, SRK University, Bhopal[1,2]

Abstract: *This study focuses on the effectiveness of human resource management (HRM) and human resource development (HRD). This research is involve priority of competitive. A complementary pairing of human resource management (HRM) and human resource development (HRD) has not always existed. The evolution of HRD from its roots in human knowledge transference to HRM and present day HRD activities reveals that environmental, social, and political influences have escalated the need for organizations to focus employee development in the areas of flexibility, innovation, and capability. The following review illustrates the importance of HRM and HRD to organizational leadership. Furthermore, the research examined builds a close association between the attributes of a HPO and the skills transferred through an effectiveness association of HRM and HRD activities. Organizations are constantly faced with the problem of determining which competitive priorities to focus on. However, different competitive priorities have different effects on how the employees are managed and developed, and ultimately, on organizational performance and competitiveness. HRD and HRM affects the organizational goals which may result from higher productivity, cost reduction, more profits, better image and more satisfied customers and stake holders considered as organization dimensions HRM and HRD activities, as such, do not reduce costs, improve quality or quantity, or benefit the firm in any way. The study also analyses the Model of HRM to show the path of mechanisms which could lead to competitive advantage. Today's fast changing environment modern organizations are more careful to sustain in the competitive advantage relating to HRD our study has been developed to help the management students, academicians, and professionals to understand the subject properly and enhance their knowledge about HRD network within the organization for its effectiveness.*

Keywords: *human resource management (HRM), human resource development (HRD), Organizational Effectiveness, competitive priorities.*

1. Introduction

The HR function, as a significant con-tributor in the development and management of people in organizations, is most often perceived as adding less value in comparison to other "critical and essential" business interests. Strategic business priorities involving operations, processes, products, and services remain critical issues for senior leadership [1]. Not surprisingly, the vast majority of organizations assess performance primarily based on financial and economic indicators. Transforming the "people are our most valued assets" rhetoric into reality is by far one of the biggest challenges facing organizations

today. Traditionally, organizations rely on the HR function in the management of employee and job-related services such as recruitment, selection, payroll, benefits, employee relations, and legal issues. Competitive priorities are a key element of operations strategy that have generated significant interest in academic literature. Many studies have suggested that the choices that manufacturing organizations make, with respect to the competitive priorities, are important determinants of their overall manufacturing strategy. However, the relationships are complex and non-trivial as different competitive priorities do not associate equally with different HR factors, and similarly, different HR factors motivate different organizational performance measures differently. Therefore, this study contributes to a greater understanding of this multi-dimensional picture by considering three specific competitive priorities and three specific manufacturing performance perspectives and evaluating their relationship with employee management and development.[2] This indicates that HRD professionals need to adopt a new approach to maximizing organizational effectiveness, one that addresses the real problems of an organization and enables it to achieve learning results [3]. So what does this new approach look like to enable organizations to achieve learning results and adopt the new approach? This study then investigates the relationships between employee management/development and three dimensions of organizational performance—quality performance, production flexibility and operations cost. Therefore, the study examines if employee management and development can relate differently to different aspects of operational performance. Furthermore, given the earlier argument that employee management and development enables an organization to achieve their competitive priorities, it is important to understand if it also mediates the relationships between competitive priorities and organizational performance.[4]The excellence literature suggests that employees' values and philosophies should be guided by, and be consistent with, the strategies proposed by the organization. HRD is seen as a way of forging a relationship between human resources and strategy. [5] see the objective of strategic HRD in terms of aligning the formal structure and human resource systems so that they drive the strategic objectives of the organization. The competitive priorities literature has examined several aspects of the nature and application of competitive priorities. This paper will focus on the effectiveness of human resource management (HRM) and human resource development (HRD). In particular it will outline forces which are driving a move towards strategic HRD. It will examine the characteristics of strategic human resource

management (HRM) and its key assumptions and philosophies.

1.1 The effectiveness of human resource management (HRM) and human resource development (HRD)

The over whelming importance of human factor is due to its unique characteristics. This is only resource which is able to produce an output greater than its input. Man alone can produce through motivated creativity- an output greater than the sum of his inputs. No other resource can do this. Human resource appreciates in value with the passage of time. Human resource is most complex and unpredictable in its behavior. There is no cook book formula of guide a manager how to motivate his workers. A manager can buy his worker's time, he can buy his physical presence at a given place, he can buy a measured number of skilled muscular motions per hour or day, but he cannot buy worker's enthusiasm, he cannot buy his initiative, he cannot buy his loyalty, he cannot buy his devotion. Each individual has his own distinct background. This makes each individual unique in his psychological frameworks. Hence they cannot be interchanged, much less standardized. This implies that all individuals in an organization cannot be treated alike. In employing and supervising people and in endeavoring to reach their motivation, a manager must follow tailor- made approach based on his understanding of the actions, attitudes, needs and urges of the worker concerned. This is a very formidable and challenging task.

First, HRM is concerned with managing people to —rank employees at work. Such people or personnel do not simply refer to —rank and the employees or —unionized labour but also include —higher personnel and —non-unionized labour. In other words, it covers all levels of personnel, including blue-collared employees (craftsmen, foremen, operatives and labourers), and white-collared employees (professional, technical and kindred workers, managers, officials and proprietors, clerical workers and sales workers). The shape and form that personnel administrative activity takes, however, may differ greatly from company to company; and to be effective, it must be tailored to fit the individual needs of each organization. Second, it is concerned with employees, both as individuals as well as a group, the aim being to get better results with their collaboration and active involvement in an organization's activities, i.e., it is a function or process or activity aiding and directing individuals in maximizing their personal contribution. Third, personnel management is concerned with helping the employees to develop their potentialities and capacities to the maximum possible extent, so that they may derive great satisfaction from their job. The task takes

into consideration four basic elements, namely, the capacities, interests, opportunities and personality of the employees.

Capacities- referring to those abilities or attainments, inherited or acquired, that a worker has, is capable of and must to a certain degree at lease exercise in his work. Interests- not only an individual's desires and ambitions, but also his instinctive impulsive tendencies, vague yearnings, and ill-defined cravings that may or may not stir him to his fullest action in performing his duties. Opportunities- not only opportunities for advancement, but opportunities to exercise his capacities and satisfy his interests. Personality- the sum total of a worker's reaction to his experiences and environment, personality is manifest by an individual's reception by others. The workers' personality has great influence upon his opportunities. This is true regardless of the type of organization, government, business, education, health, recreation or social action. Getting and keeping good people is critical to the success of every organization, whether profit or non-profit, public or private. [6]

- **Evolution and developments of HRM**

HRM, being a part of management discipline, has followed the pattern of development of management because of the interrelationship of the problems of both the fields. [7] *Everything you need to learn about the evolution of HRM (human resource management.) Evolution of HRM over the period of time is important for understanding the philosophy, functions, and practices of HRM that are followed in different situations so that relevant HRM practices are evolved in the present situation.* In this article we will discuss about the evolution of human resource management. Learn about:- 1. Managing Slaves 2.Managing Serfs 3. Managing Indentured Labour 4. Industrial Revolution Era; 5.Trade Union Movement Era 6.Social Responsibility Era 7.Scientific Management Era 8.Human Relations Era 9.Behavioural Science Era 10.Systems and Contingency Approach Era and 11.Human Resource Management Era.

- **History of Modern Human Resource Management**

1. Early Philosophy (Before 1900): The history of modern Human Resource Management began with the efforts of Robert Owen. Owen is called the founder of Human Resource Management. In 1813, he wrote a book, A New View of Society. In it he propounded the need for better industrial relations and improvements in the service conditions. His attitude towards workers was very cordial, liberal and paternalistic. He got good houses constructed for his workers by the side of his factory. He eliminated child labour and provided healthy working conditions. J.S. Mill, Andrew Yule and Charles Bewarage, contemporaries of Robert Owen, developed Human Resource Management as a science and supported the idea of wage incentives, profit sharing and labour welfare, etc. 2. Efficiency and Productivity Movement (1900-1920): During the last year of the 19th century arrived the age of efficiency and productivity movement. The two decades from 1900 to 1920 were the years of scientific management movement. Taylor's Scientific Management Thought was accepted during this period. Taylor opposed the idea of trade unionism and workers' organization. The main contribution of these two decades has been the increase in the size of units, introduction of scientific thinking into actions, job analysis, standards costing, scientific selection and training of workers and the idea of mental revolution. 3. Period of Welfarism and Industrial Psychology (1920- 1930): Up to 1925, the Human Resource Management had taken a definite form. Staff line organization became the basis of Human Resource Management. The opposition of scientific management movement by workers introduced the need of industrial psychology. Industrial psychologists developed many new techniques like psychological testing, interviewing, workers training and non-financial incentives. They helped to give a professional form to Human Resource Management. The Human Resource Management began to be realized as a profession and a specialist's function. 4. Period of Human Relations (1930-1950): When Prof. Elton Mayo and his companions conducted Hawthorn experiments, it was the beginning of recognition of the fact that human resources have greater influence on production than other psychical resources. A worker must be treated as a human being. His social, psychological and moral instincts should be fully recognized by the management.

5. Modern Times (After 1950): The history of Human Resource Management since 1950 up to current times is the age of modern developments. It is the period of the citizenship concept of labour where the workers have full right to be consulted in determining the rules and regulations under which they work. The concept of industrial democracy has imposed many new responsibilities upon the human resource managers of industrial houses. In modern times, Human Resource Management is widely accepted as an independent discipline. One finds two important developments during this period, after 1960, the Human Resource Management began to be realized as a behavioural science which centred completely on human elements with the study of organizational behavior as its main crux.[7]

A sort of human approach was involved in their relationship. After a prolonged period of training, many apprentices established their own enterprises, and many others remained attached with their master craftsmen on lucrative terms. During the medieval period, the skilled craftsmen also formed their guilds primarily with a view to protecting the interests of their respective trades.

Both management and leadership are not new terms. They both evolved with the rise of ancient civilizations. Ancient emperors were expected to reign communes, villages and first cities. The king had to collect taxes and provide the protection to citizens. They were unable to deliver these basic tasks without a proper management, leadership and the art of splitting roles and responsibilities. They had to discover the art of efficient delegation. The history of Human Resources Management did not begin at the moment when Dave Ulrich published his first book about Human Resources. He discovered the importance of Human Resources Management for successful organizations but the people management was crucial even in ancient China. The HR history is about the evolution of first communes and growth of first ancient societies. Unsurprisingly, the development of modern Human Resources Management practices comes with the military. The army was the first driver of innovations. A nation without a strong army was overtaken by neighbors, and it just made an importance of a strong army visible to each citizen. A successful command requires strong, brave and smart leaders who engage and share a vision of the victory. It designed and developed first procedures for the outstanding selection of new hires and leaders. It had resources to invest in innovations. The first successful HR practices in the history can be found in ancient armies. They required a good work organization of jobs and tasks, even they used the workforce with no education and knowledge. We tend to recognize just the modern Human Resources Management as the best competitive businesses practice it today. Nowadays, we know that a strong respected and widely recognized HR Organization makes a difference. It can create a great company that wins the market wars. The modern Human Resources Management is a business function, which manages, leads, facilitates and provides tools for the human capital management in the enterprise. The factories hired thousands of workers, who worked up to 16 hours a day. Soon, many entrepreneurs discovered the fact that the satisfaction of employees influences the performance and productivity. Satisfied employees were more efficient than the rest of the workforce, and they can produce more products than depressed employees. As a result, many factories started to introduce voluntary programs for employees to increase their comfort and satisfaction. [8]

- **Human Resource Development**

Development of human resources is essential for any organisation that would like to be dynamic and growth-oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, bring to surface, nurture and use the capabilities of people. Human Resource Development (HRD) system aims at creating such a climate. A number of HRD techniques have been developed in recent years to perform the above task based on certain principles. This unit provides an understanding of the concept of HRD system, related mechanisms and the changing boundaries of HRD. Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development.

- **Human Resource Development** is a process by which the employees of an organization are helped in a continuous and planned way to:
- acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- develop their journal capabilities as individuals and discover and exploit their own inner potential for their own and or organizational development purposes.
- develop an organizational culture in which superior-subordinate relationships, teamwork and collaboration among sub-units are strong and contribute to the professional well being, motivation and pride of employees.[10]

1.2 Concept of Human Resource Development (HRD)

Human Resources Development (HRD) as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement" or "HRD is a new systematic approach to proactively deal with issues, related to individual employees and teams, and organizations and a movement to develop organizational capability to manage change and challenge" The active resource of an organization is the human resource. Other resources remain inactive unless

there are competent people to utilize the available resources for the production of goods and services. A human brain has a limitless energy to think and act in a productive way. Hence, competent and qualified human resource is a key factor of organizational success. In this regard, the emergence of human resource development (HRD) plays a vital role in enhancing the entrepreneurial skill of people. Human Resource Development (HRD) is a process of developing skills, competencies, knowledge, and attitudes of people in an organization. The people become human resource only when they are competent to perform organizational activities. Therefore, HRD ensures that the organization has such competent human resource to achieve its desired goals and objectives. HRD imparts the required knowledge and skill in them through an effective arrangement of training and development programs. HRD is an integral part of Human Resource Management (HRM) which is more concerned with training and development, career planning and development and the organization development. The organization has to understand the dynamics of HR and attempt to cope with changing the situation in order to deploy its HR effectively and efficiently. And HRD helps to reach this target. Human resource is needed to be developed as per the change in the external environment of the organization, hence, HRD helps to adopt such changes through the development of existing human resource in terms of skill and knowledge.

The purpose of HR development is to provide the 'coaching' needed to strengthen and grow the knowledge, skills, and abilities that an employee already has.[9]
The HR wheel identifies three primary HRD functions:

1. **Training and Development:** The training and development (T&D) focus on changing or improving the knowledge, skills, and attitudes of individuals. Training typically involves providing employees with the knowledge and skills needed to do a particular task or job.
2. **Organization Development**: Organisation development (OD) is defined as the process of enhancing the effectiveness of an organization and the well-being of its members. Organization development can be done through planned interventions that apply behavioural science concepts.
These interventions emphasize both macro and micro organizational changes.
3. **Career Development:** In the career development process, the individuals' progress through a series of stages because it is an ongoing process. Each stage in the process is characterized by a relatively unique set of issues, themes, and tasks. The career development

process involves two distinct processes:

➢ Career Planning and
➢ Career Management.

Human resources can be viewed as the sum of knowledge, skills, attitudes, commitment, values and the like of the people of an organization. Development is the acquisition of capabilities that are needed to do the present job, or the future expected job. Any effective HRD program must satisfy the needs of an organization. To this end, management must outline the needs of the organization and convert them into objectives with a view to formulate a workable program.

Macro Level: At the macro level HRD is concerned with the development of people for the nation's well being. It takes health, capabilities, skills, attitudes of people which are more useful to the development of the nation as a whole.

Micro Level: HRD has concern for grass root development in the organizations. Small wonder, then, that HRD was well received by companies' management as they realized its importance and foresaw its future contribution for the individual and organizational development. Generally, **Human Resource Development** at micro-level talks of the organization's manpower planning, selection, training, performance appraisal, development, potential appraisal, compensation, organizational development, etc. [10]

Objectives of HRD
objectives of staff training and development are to improve the qualities of the trainee, formulation of objectives for different needs and ways of achieving it. The training objective is very important because it determines the design and content of the training programs. Contents of the training remain the same no matter the type of training involved. It is to increase personnel efficiency, professional growth, and smooth and more effective organization's operations. Training and development are the heart of a continuous effort designed to improve the employee competency and organizational performance. Some managers use this term interchangeably. It prepares employees to keep pace with the organization as it changes and grow. Training and development activities have the potential to align firm's employees with its corporate strategies [11]

The purpose of training and development is as follows: Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization; enhancing the company's ability to adopt and use advanced technology because of a sufficiently

knowledgeable staff and building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale; and ensuring adequate human resources for expansion into new programs.[12].

The Relationship between HR & HRD

Human resources departments in large organizations often create specialized positions within the department as some HR employees focus on benefits planning, training, wellness, or another specific area of employee management. Improving employee performance falls under the scope of human resources development (HRD) and is a function of the HR department, explains international technical and vocational training organization.

1.1 Strategic HR Development

An HRD specialist might talk with department heads to determine their employee needs, not only in terms of numbers and qualifications but also in creating more productivity and efficiencies, according to career website Indeed. In some cases, a department head might have a problem she doesn't know how to solve but knows that it can be fixed with better quality staff. The HRD specialist evaluates the processes and procedures with the department head to determine the outcomes that aren't being met. The company then tries to identify which employee skills are needed for the department to achieve its goals.

1.2 Human Resources Development Projects

Big-picture HRD efforts can include mass training and continuing education programs. This may mean creating communications channels, such as an area with training videos or a blog. An HRD project might include evaluating processes, policies and procedures to help employees work better. The goal is to help the company make products cheaper, deliver them with higher customer satisfaction and fewer returns, and increase quality and efficiency. Another HRD function includes the training of managers to help them become better leaders, communicators and project facilitators. This includes helping them develop soft business skills, such as interpersonal communications, leadership, project management and coaching. Other areas of HR that are related to an HRD effort but don't fall directly under the same umbrella include recruiting, legal compliance, benefits planning, compensation, psychological testing

and termination procedures. HR planners take steps to ensure employees are properly managed after they join an organization. This includes creating company policies and procedures and providing ongoing management training for supervisors. Human-capital planners create two-way feedback systems, allowing managers to critique subordinates and workers to critique their supervisors. Human-capital planning also includes forecasting labor needs and employee scheduling to avoid unnecessary labor costs or worker shortages that can slow down operations.[13]

Table 1 Evolution and Developments of HRM in India

Period	Development Status	Outlook	Emphasis	Status
1920s 1930s	Beginning	Pragmatism of capitalists	Statutory, welfare paternalism	Clerical
1940s - 1960s	Struggling for recognition	Technical, legalistic	Introduction of Techniques	Administrative
1970s	Achieving	Professional	Regulatory, conforming, imposition	Managerial
1980s	Sophistication	Legalistic, impersonal	Standards on other functions	Executive
1990s	Promising	Philosophical	Human values, productivity through people	

2. Literature Review

Meera Alagaraja, (2012) A systematic review of literature on the relationship of human resources (HR) and organizational performance (OP) revealed a dearth of contribution from human resource development (HRD) in establishing the linkage. This linkage, which refers to the significant relationship between HRD and OP, is an important topic relevant to research and practice. The review utilized OP as the dependent variable to survey the state of human resource literature and thus, includes contributions from human resource management (HRM). The literature review revealed similarities and differences in the conceptualization of OP as a dependent variable between the two fields. On further analysis, the similarities

and differences reveal convergence in specific areas of inquiry as well as emphasize the underlying differences in the philosophical assumptions of HRD and HRM. The independent contributions of HRD and HRM in establishing the HR–OP linkage also reflect the utilization of diverse research designs, methods of data collection, analysis, and findings. Both fields have focused on strategic contributions for improving organizational performance and are very much connected in practice. Much of the separation therefore, appears to be academic where competing views highlight a tension that exists in theory, research and what we know about effective HRD or HRM in practice.[14]

Jorge Andrés et al., (2014) Human resource management (HRM) is considered an important issue in operations strategy (OS). Furthermore, OS effectiveness depends on performance in competitive priorities (CP).However, little empirical evidence exists about the relationship between them. Thus, the purpose of this paper is to investigate the impact of HRM on performance in CP. The research was conducted by surveying a sample of medium and large manufacturing companies in the Colombian coffee region. Three groups of variables were studied: performance in CP, HRM practices and factors related to employees. A regression analysis was conducted to test the hypotheses. No significant relationship was found between HRM practices and performance in CP. Regarding the factors related to employees, two findings were relevant: first, when the companies involve features about the individuals in OS decision making (motivations, personal goals, abilities, etc.) better performance can be observed in CP; second, when employees reach a higher level of satisfaction and job performance, the performance in CP improves as well. Considering the importance of HRM practices, appropriate adjustment and application should be sought to improve company performance. Furthermore, factors related to employees (features about the individuals, job satisfaction and employee performance), must be properly aligned with the OS. The paper addresses an issue supported by little empirical evidence. Because few studies have considered the total set of CP identified in the literature review, the authors applied an indicator to establish the global performance of the production system according to the market requirements. Traditionally, HRM has been studied from the perspective of management practices, giving little attention to employees. In this research, the authors consider not only this perspective ebut also the effects of factors related to employees on performance in CP when they are aligned with the OS.[15]

Tukur Al-Mustapha, (2017)A strong human resources development has been recognised as an important prerequisite to the achievement of sustained competitive advantage to deliver products and services that can meet with client's needs and satisfaction. The study assesses the effectiveness of human resources development (HRD) strategies practice by construction firms in North Western Nigeria. A total of 360 structured questionnaires were administered with 61% response rate. Respondents were asked to assess the strength of improvement of determined variables in their respective organisations, the variables was tested using ANOVA- F and mean score under five sub-heading (information and communication issues, organizational productivity, corporate performance, and organizational culture and staff turnover).The findings of the study revealed that HRD strategies adopted showed strong improvement on: performance, minimized wastage, and ease of handling development challenges while enhanced corporate loyalty, construction planning and design, group thinking and desire for professional growth followed. However the study revealed that out of the forty two variables tested; sixteen were strongly improved. It is recommended that HRD strategies practice by the construction firms in the study area should be periodically accredited and reemphasized to improve understanding and increase willingness and commitment in implementing effective HRD strategies.[12]

Mohanad Ali KAREEM and Ibrahim Jaafar HUSSEIN, (2019) The area of employment is changing dramatically, technology and globalization are impacting practices and experiences, and societies are becoming more global and multicultural. With the rise of globalization and the rapid changes in the business environment, employability is becoming one of the main goals for any organization. The organizational effectiveness lies in human resources quality and human resources development practices have the potential to improve employee competences. This study aims to examine the impact of human resource development practices on the employees' performance and organizational effectiveness at a sample of public universities in Iraq. A descriptive-analytical method based on one regression model was employed for data analyzing. The result indicates that HRD practices are significantly related to employee performance in the enhancement of organizational effectiveness. Also, the results show that there is a statistically significant relationship between employee performance and organizational effectiveness. Furthermore, this study recommends that the decision makers of universities should strive to develop HRD strategies which will enable them to improve employee

competency and enhance the capability of the employees to achieve desired goals and objectives of the organization. This article contributes to human resource development, employee performance and organizational effectiveness literature. Also, this study provides key theoretical and practical implications which are discussed in detail.[16]

Lismen L.M. Chan, et al., (2007) We develop and test a dynamic model of co-specialized resources for competitive advantage. Using matched data from senior executives and human resource managers, we test the direct and interactive effects of high-performance human resource (HPHR) practices and organizational culture on firm performance. Although the HPHR practices were not an important influence on performance, our findings indicate that organizational culture can be a valuable resource for companies.[17]

Thomas N. Garavan, et al. (2000) Addresses some of the key debates within the HRD literature and considers the extent to which HRD can be described as a field of study. The paper addresses the issues raised in the contributions that make up this special issue and identifies a broad range of methodologies and use of research methods. It argues that all of the contributions fit into at least one theoretical perspective: capabilities, psychological contacts and the learning organization/organizational learning. The paper concludes with a consideration of the prescriptions which the perspectives advocate for HRD in organizations.[18]

Wright, P. M., & Boswell, W. R. (2002),Since the early 1980s the field of HRM has seen the independent evolution of two independent subfields (strategic and functional), which we believe is dysfunctional to the field as a whole. We propose a typology of HRM research based on two dimensions: level of analysis (individual/group or organization) and number of practices (single or multiple). We use this framework to review the recent research in each of the four subareas. We argue that while significant progress has been made within each area, the potential for greater gains exists by looking across each area. Toward this end we suggest some future research directions based on a more integrative view of HRM. We believe that both areas can contribute significantly to each other resulting in a more profound impact on the field of HRM than each can contribute independently.[19]

Wright, P. M. et al., (2003) This article examines the impact of HR practices and organisational commitment on the operating performance and profitability of business units. Using a predictive design with a sample of 50 autonomous business units within the same corporation, the article reveals that both organisational commitment and HR practices are significantly related to operational measures of performance, as well as operating expenses and pre-tax profits.[20]

Wang, G, et al., (2002) This study contributes to the limited methodological literature on HRD program evaluation and measurement. The study explores an interdisciplinary approach for return on investment (ROI) measurement in human resource development (HRD) research and practices. On the basis of a comprehensive review and analysis of relevant studies in economics, industrial-organizational psychology, financial control, and HRD fields, we developed a systems approach to quantitatively measure ROI for HRD programs. The ROI concept for HRD field was defined, and a theoretical systems framework was developed. The applicability of using statistical and mathematical operations to determine ROI and isolate non-HRD program impacts is discussed. Application scenarios are presented to demonstrate the utility of the systems approach in real-world ROI measurement for HRD interventions.[21]

3. Purpose and Value of HRM and HRD

HRM practices and systems of such practices. In particular, employee participation and empowerment and job redesign, including team based production systems, extensive employee training, and performance contingent incentive compensation, are widely believed to improve the performance of organizations. Moreover, a developing body of research has reported positive associations between firm-level measures of HRM systems and organizational performance Delaney, forthcoming. Substantial uncertainty remains, however, as to how HRM practices affect organizational outcomes, whether some practices have stronger effects than others, and whether Complementarities or synergies among such practices can further enhance organizational performance.

Human resource development is a process of developing and/or unleashing expertise through organization development (OD) and personnel training and development for the purpose of improving performance. HRD is based on the beliefs that organizations are human-made entities that rely on human expertise in order to establish and achieve their goals and that HRD professionals are advocates of individual and group, work processes and organizational integrity. HRM and HRD are not only

broadly contested in purpose across academics, but also commonly confused or misinterpreted amongst managers and organizational leaders [24]. The deliberate development activities of HRD can be easily misaligned with learning and training programs seeking only to provide information or specific skills to employees. However, as this review illustrates, HRD constitutes purposeful actions that intervene with the natural learning process, driving employees to adopt behaviors and developmental and physical attributes. Through the lens of HPO, employee adaptability and flexibility are key drivers to organizational performance. Therefore, the purpose of HRD is fundamentally connected to training and development of personnel proactively to address change (de Waal, 2007; Stewart & Sambrook, 2012).

6. Conclusion

Researchers agree that HRD emerged in the United States largely as a result of the demands presented during the Industrial Revolution. However, human development is traced to the pressures and demands of a subsistence lifestyle. HRM likewise formed from recognition of human resources as an organizational asset and the regulatory pressures of government and union interactions during the Industrial Revolution. The evolutionary trend supports two fundamental principles: (1) that human resources are the biggest asset to an organization; and (2) social and human development is necessary to persist in a changing environment. Research agrees there is a prevalence of external and internal pressures on organizational performance globally. Based on the above definitions, resilience to change and innovation are vital characteristics of a HPO. The influence of such pressures and the need for responsive and proactive skill sets altered the practice of HRM. Further, constraints and pressures contributed significantly to HRD activities. Broader societal implications further complicate HRM and HRD. Social responsibility commands organizational leaders to incorporate sensitivity to societal concerns in organizations' objectives and decision-making processes. Such awareness has expanded the context of HRD to include employee behavior impact on the broader community and social environments outside of the organization's constraints. Despite efforts to formulate HRD as controllable, predictable, and systematic, the research included in this paper supports "**The effectiveness of human resource management (HRM) and human resource development (HRD) on performance in competitive priorities**" as an evolutionary and variable set of activities to drive necessary behaviors internal and external to the place of work environment. Training and formatted programs, which seek to solve a particular problem, may, or may not, be a component of the broader group of HRD activities within the organization. However, HRD extends far beyond prescriptive solutions to organizational problems. Conversely, HRM is far more prescriptive, but no less proactive, to the demands of HPOs. HRM seeks to manage and maintain the organization's human resources within the productivity needs of the organization and the legal, political, and social external constraints. Some researchers argue that HRD is a vital component to HRM. Conversely, other research contends the process versus activity level variance separates HRM and HRD entirely. Regardless of the contextual placement of HRM and HRD definitions, the increased research in the field culminated with the increased pressures facing organizations places critical importance on human resources. The prominence of human resources extends to organizations, societies, and cultures. As such, in the pursuit of high performance, the development and management of the most vital resource cannot be ignore.

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