

Effect of Human Resource Development on Organizational Performance: A Study of Private Universities in Eastern Afghanistan

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[Abstract] Over the last few decades, human resource development (HRD) has become one of the fastest-growing areas of management. Several studies on the subject have recognized the relationship between HRD and organizational performance. However, the mechanisms by which HRD leads to organizational performance still remain unexplored. The purpose of this study is to address this gap and investigate the routes that are connecting HRD to organizational performance. The study has been conducted on private universities in eastern Afghanistan. The data was collected with the help of a structured questionnaire from 301 respondents consisting of the deans, heads of departments, academic faculty, and administrative members. Statistical Package for Social Sciences (SPSS) version 25.0 was used to analyze the data to calculate regression and correlation models to study the causal relationship between HRD and the organizational performance of universities under study. The result indicates that the impact of HRD on organizational performance is positive and serially mediated through job satisfaction.

[Keywords] human resource development; job satisfaction; organizational performance

Introduction and Conceptual Framework

Human resources are the means that play a significant role in the arrangement and combination of the other factors within the organization. As a result of its uniqueness, it becomes an active factor that combines different production inputs to get the required outputs. However, it's currently been recognized that getting to the capital and material resources could be solely achieved only if the human resources are sufficiently utilized. Further, it is being realized that people, in general, are the active agents used in collecting capital, tapping natural resources, making useful products, building the perception of the individuals, and building socioeconomic organizations for national development.

Apart from human resources, trained and developed human resources are prerequisites for having the desired output and performance. Human resources development seems the focal topic under discussion because it helps in optimizing the utilization of human resources. The development of human resources involves the improvement of their technical and behavioral skills, which could help the employees to increase their job knowledge, capabilities, and skills. This helps increase productivity, leads the organization further to achieve its long-term goals, impresses the sense of teamwork, inter-team collaborations, and team spirit, and improves the organizational culture, health, and effectiveness, all of which build a positive perception and feeling towards the organization.

Importance and Role

The importance of human resource development for national growth has been widely demonstrated by researchers. Capital and natural and normal resources are detached elements of production, and humans are the dynamic factors that accumulate wealth, utilize resources, and build political and socio-economic organizations toward national development. It is stated that a dynamic means of human capital has been

described as the set of knowledge, skills, and overall individualities of people in an organization that shows their current performance and future potential (Hitt et al., 2006).

Considering the recent conditions in Afghanistan, the role of human resources development is substantial to the educational sector because the universities need to deal with different people to enhance their literacy daily. Thus, it remains exceptionally vital that employees must be competent enough, trained sufficiently, and well-prepared to move forward with their execution and improve their performance to effectively serve different segments of stakeholders. Subsequently, HR has been found to be a central factor in nurturing growth and continuous development. It is considered the key to scrutinizing the present effects of HR over the performance of universities, so the recommendation might be expressed for the growth of current universities through effective HR practices.

Origin and Historical Development

It is logical to tie the origins of human resource development back to the evolution of mankind and the training necessary to persist and advance. Whereas human resource development could be a moderately innovative term, training the main element of HRD could be traced and followed over the advancement of the human race. It becomes essential to identify the immense development exertion that occurred in the United States of America in World War II pertaining to the origin of modern HRD. It is named the "Training Within Industry" project (Dooley, 1945). Human capital is considered to be the set of abilities, skills, knowledge, and common individualities of characters inside the workplace that could demonstrate current performance and coming potential (Hitt et al., 2006). The human resource development models indicate that investment in human resources development leads to an upper ratio of individual, group, and organizational performance (Arif, 2007). It's a focal point that all perspectives of human resource development try to develop the foremost, greatest manpower so individual employees and the organization can fulfill their work objectives for the benefit of clients. They have opportunities for human resources development and are inside as well as outside the working environment.

Conceptual Framework

Human Resource Development

There are alternative views of HRD that allow readers exposure to the extent of considering the involved profession. HRD is an emerging process that unleashes human skills, knowledge, and expertise via personnel training and development or organizational development toward improved performance. It is revealed that a number of alternate descriptions for HRD have been displayed over the last several years. For instance, the continuous process of ensuring the systematic and planned development of employee competencies, motivation, dynamism, and effectiveness is known as human resource development (Rao et al., 2001). Referring to the literature of previous studies, we can realize that HRD is a process that will likely grow an organization's expertise, knowledge, productivity, and satisfaction concerning work based on the self, team, and organizational gain. So, the concept of human resource development is the advancement of individuals in all aspects. Here, development refers to the capacity to solve social, personal, cultural, and spiritual problems, which leads to the performance of the organization through the developed skills for achieving better jobs and heavier responsibilities.

Seyed Javadin (2005); Nadler and Nadler (1989) provided statements on the below three main aspects of human resource development. namely, education, training, and development. "Training is concerned with learning with a concentration on the learner's current job. Education is concerned with getting to learn in a concentration on the upcoming job of a learner and Development comes true, learning not centered on the job." HRD is a method for assisting employees in developing their skills, organizational capabilities, capacities, abilities, and knowledge.

Training and Development

Okoye et al., (2013) argued that human resources are an organized process of training and growth through which individuals attain a well-informed understanding, the necessary mindset, and approaches to succeed

in the work efficiently. It emphasizes the opportunity to apply one's knowledge and the necessity to get learned and grow accordingly. Understanding and knowledge are useless unless put into practice, which can be accomplished by exposure. This can be achieved through exposure. Gidado et al., (2014) quoted Adam Smith's statement that "the abilities of individuals are contingent on their access to education." It is the unified application of career development, organizational, and training efforts to improve the individual, group, effectiveness, and organizational performance. HRD is used to develop the skills and basic abilities enabling individuals to execute existing and forthcoming jobs through planned deeds in the organizations. To improve performance, certain undertakings are set in the organizations. This includes planning and development, career development, organization development, and more.

According to Aniago and Ejiofor (1984), Nigerian manpower problematic issues are not educational issue but, rather, the unproductive application and operations of human resources. Hackett (1999) said investing in machines, would make losses in charging to depreciation, but investing in individuals through proper training and development programs may find value as they gain experience in the business.

Job Satisfaction

Job satisfaction can be defined as how satisfied a person is with his/her job or acceptance of goals, willingness to work hard, and willingness to stay with the company. It refers to one's feelings and state of mind about the nature of his work and can be influenced by a variety of factors. The first thing that comes to mind when a person thinks about why his/her job is worthwhile is the reward for the work. Rewards can take monetary form or be intangible recompenses. Rewards can also be thought of as prestige earned for actually completing a task.

According to Koys (2001), employee satisfaction plays an important role in the performance of organizations. Thus, an organization needs to realize what exactly the employees feel, what they are worrying about, how they should deal with things on their job, and the level of their satisfaction. If an organization identifies and recognizes the dissatisfaction factors of employees, sensed from the staff perception, it should work for developing strategies that could help for further satisfaction of the employees.

Organizational Performance

Performance is the action or process of performing a task in a prescribed manner. Organizational performance refers to how successfully an organized group of people with a particular aim perform a function. According to Richard et al. (2009), organizational performance includes three specific areas of firm performance: (a) financial performance, (b) product market performance, and (c) shareholder returns. Managers are concerned with organizational performance, including strategic planning, operations, finance, legal, and organizational development. Going by the concept of performance, it is revealed that most of the firm performance is the ultimate dependent variable for those involved in all areas of management: marketing with customer satisfaction and market share; accounting is concerned with measuring performance; operational management with productivity and operating costs; organizational behavior with employee satisfaction, structural efficiency, and finance with capital market reaction to all of the above. March and Sutton (1997) found that approximately 28% of articles in strategic management, academy of management, and administrative science journals contain some measure of organizational performance.

Survey of Literature

Kareem (2009) in the context of Iraq's public universities, investigated the relationships between human resource development practices and organizational effectiveness. To collect the primary data for the study, web-based questionnaires were sent via email to Iraq's public universities. The respondents included several heads of departments, deans of faculties, faculty members, and principals of the execution units. Questionnaires were distributed to about 342 employees online, and complete questionnaires were obtained from 215. After the analysis, it was discovered that there is a positive and significant effect of HRD practices, including the effect of training and development, talent growth, organizational development, and job advancement on the effectiveness of the organization. This study further confirmed the significance of human resource development and realized the way independent variables are positively related to

organizational effectiveness.

Kilika (2012) elaborated on the connection between Kenya's universities' performance and the human resource development infrastructure. The study concerned several objectives. However, the most relevant one is the connection between HRD infrastructure and university performance and the influence of university-industry collaboration. One hundred eighty respondents from 19 Universities participated in the descriptive survey. The study found a partial relationship between HRD infrastructure and university performance; The findings of the study highlighted the context-specific position of HRD in Kenyan universities. It suggested that universities implement programs to improve their academic capabilities and bring their learning culture in line with their HRD practices.

Naris and Ukpere (2012) evaluated the current status of staff development and training at Namibia's tertiary educational institutions. Using secondary data and a qualitative research method, a meta-analytical study was carried out. The authors recommended that the activities of staff development and their training ought to be traced to strategic goals of the organizations. The paper examined things like training, staff development, and other things that affect institutions of higher education; the researcher recommended further investigation into strategic matters challenging staff training and development in the education sector.

Alagaraja (2013) conducted a systematic review of the literature and tracked down a significant connection between HR and the performance of the organization. In this review, organization performance was considered as a dependent variable for human resource development. The study highlighted the similarities and differences between HRD and HRM. Both HRD and HRM have focused on strategic contributions to improving organizational performance.

Sung and Choi (2014) examined the impact of different dimensions of HRD on the firms' performance (OP). They identified several scopes of HRD that reveal the subjective and quantitative tactics and methodologies from the viewpoint of the manager or employee. They further stated that by modeling employee outcomes within the organization, HRD influences the overall performance of the organization. They concluded, as a result of their investigation, that HRD enhances the competencies and commitment of employees, which in turn leads to improved organizational performance. In addition, the analysis revealed that when it comes to expecting employee results, there is an interaction between the qualitative and quantitative aspects of HRD.

Lyons (2016) examined U.S organizations' influence of skill gaps on the performance of the organizations. In order to address these gaps, the managers conducted training and development programs to improve organizational performance. Using scores from applicants for the National Baldrige Award the researcher utilized structural equation modeling (SEM) (a framework for performance excellence that includes strategic human resource development (SHRD) as part of an organized method to improving the performances of an organization). Using these scores, they made a structural equation model that statistically showed how SHRD affected organizational performance. The study's findings demonstrated SHRD improves organizational performance positively.

Latif et al. (2013) examined the relationship between employee job satisfaction and organization performance. The study scrutinized the impact of employee job satisfaction on the performance of the organization through a field survey using data from employees of five profit and non-profit organizations from which a total number of 120 respondents were selected via probability and non-probability sampling techniques. It studied the influence of age, sex, and experiences considering the exit interviews of management, senior managers, professionals, and supporting staff. The study considered intrinsic rewards and extrinsic rewards to define the relationship between employee job satisfaction and organizational performance. It was found that employee job satisfaction is significantly linked to organizational performance.

Bendaraviciene and Bakanauskiene (2012) conducted a study on the effect of job satisfaction and organizational performance. Herzberg's theory of motivation served as the foundation for the analysis in which the importance of persuasive aspects was measured by employees' intrinsic and extrinsic perceptions of the characteristics of the job. Considering both academic and administrative divisions, supervisors' and subordinates' positions, both motivational gaps and overlaps unfolded. The analysis suggested several ways

to identify employee needs and expectations that could help in promoting job satisfaction through motivational segmentation.

Objectives, Scope, and Research Methodology

Objectives

Although several studies have been conducted to recognize the relationship between human resource development (HRD) and organizational performance (OP), a process by which HRD leads to organizational performance remained unknown. Therefore, this study addresses this gap and investigates the routes that are leading from HRD to organizational performance in private universities based in eastern Afghanistan. The specific aims of this study are as follows:

1. To study the nature and types of HRD in private universities in eastern Afghanistan;
2. To measure the job satisfaction of the academic staff in the universities being studied;
3. To study the effect of HRD on the organizational performance of universities being studied.

Scope

The scope of this study is limited to the development of universities' human resources and their performance to examine the performance of private universities in eastern Afghanistan. It covers deans, directors, HoDs, faculty members, and some of the administrative members of the universities. All respondents are employees of the six private universities of eastern Afghanistan that are being studied.

This study focuses primarily on the impact of human resource development on university performance considering three variables: HRD, job satisfaction, and organizational performance.

Research Methodology

The research is centered largely on primary data that was collected through a specifically developed questionnaire. The sample comprises 325 academic officials and administrative officers out of which 301 responded. The analysis was done based on 301 questionnaires. According to Visser, Krosnick, and Lavrakas (2000), "A specific type of field study known as survey research involves the use of a questionnaire to collect data from a sample of components selected from a well-defined population."

Analysis and Interpretation

Reliability Test

The Cronbach's Alfa reliability test shows whether the questionnaire under study is reliable or not. Its reliability leads us toward its acceptance.

Table 1

Reliability test

Variables	Cronbach's Alpha	Valid Cases	Excluded	Total
Organizational Performance	0.708	301	0	301
Training and Development	0.708	301	0	301
Job Satisfaction	0.708	301	0	301

Reliability Statistics

Cronbach's Alpha	N of Items
.708	3

Table 1 describes the alpha of Organizational Performance as 0.708 and shows our questions in the questionnaire

for organizational performance are relevant, reliable, and acceptable because their value exceeds 0.70%. The same holds true for all the developed variables under study (Cortina, 1993)

Table 2
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
OP A	301	1.00	3.18	1.98	.67
TD A	301	1.20	3.10	1.88	.46
JS A	301	1.00	3.40	2.04	.76
Valid N (listwise)	301				

For Organizational Performance, the mean value is 1.98, with a maximum 3.18, and minimum 1.00 values. Training and Development has a mean value 1.88, with a maximum 3.10 and minimum 1.20 values. Likewise, Job Satisfaction has a mean value of 2.04, with a maximum 3.40 and minimum 1.00 values. Whereas the standard deviation of the aforementioned variables is 0.67, 0.46, and 0.76 respectively. From this analysis, we know that there is no bias because the mean values of the variables are close to each other. In addition, the closeness of the variable's maximum and minimum values to one another indicates that there isn't much of a difference, indicating that the results are accurate.

Table 3
Correlation Matrix

Correlations		OP A	TD A	JS A
OP A	Pearson Correlation	1	.343**	.675**
	Sig. (2-tailed)		.000	.000
	N	301	301	301
TD A	Pearson Correlation	.343**	1	.294**
	Sig. (2-tailed)	.000		.000
	N	301	301	301
JS A	Pearson Correlation	.675**	.294**	1
	Sig. (2-tailed)	.000	.000	
	N	301	301	301

** . Correlation is significant at the 0.01 level (2-tailed).

Organizational Performance as a dependent variable points out that it is 34% correlated with Training and Development and 67% correlated with Job Satisfaction as two independent variables, respectively, where the strengths for the r-value of the correlation are described by Evans (1996)

Regression Analysis

Here we see the slopes of the independent variables over dependent variables or, put another way, regression analysis shows the effects of every factor that contributes to the success of HRD on the performance of the universities.

Table 4
Model Summary

Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	.692 ^a	.479	.475	.491

a. Predictors: (Constant), JS A, TD A

This model shows the R square (coefficient of determination) exists as 0.479, indicating that 47.9 % variant

in the Organizational Performance as dependent variable described by the Training and Development and Job Satisfaction as independent variables. The rest ($100\% - 47.9\% = 52.1$) is determined by other variables.

Table 5
ANOVA^a

Model	Sum of Squares	d f	Mean Square	F	Sig.
Regression	66.036	2	33.018	136.893	.000 ^b
Residual	71.876	298	.241		
Total	137.912	300			

a. Dependent Variable: OP A

b. Predictors: (Constant), JS A, TD A

ANOVA displays the output of the model fit measured by an f-test. Because the P value is 0.000, that seems lower than the level of significance 0.05 ($0.000 < 0.05$). Therefore, the fit between variables is significant, applying a good model.

Table 6
Coefficients^a

Model	Unstandardized Coefficient		Standardized Coefficient		Sig.
	B	Std. Error	Beta	t	
(Constant)	.414	.126		3.286	.001
TD A	.230	.064	.158	3.617	.000
JS A	.558	.039	.629	14.367	.000

a. Dependent Variable: OP A

This table shows the regression result of the study. The result shows a positively significant relationship exists between Job Satisfaction, Training and Development, and Organizational Performance. According to the aforementioned tables, the coefficient of Training and Development is 0.158. This indicates a 1% increase in T&D will increase the organizational performance by 15.8%, having a standard error of 0.06. The Z statistics are 3.61 with a P value of 0.001, both showing the significance of variables, which is supported by McLeod (2019, May 20).

Based on the above table, the Job Satisfaction coefficient is 0.629. This indicates that a 1% increase in job satisfaction will increase 62.9% in organizational performance in the same direction. This value is found from the sample size; in case we use population and run this model, a standard error of 0.04 would be calculated, and the Z statistic of 14.37 seems greater than 3%. It points out the significance of the variable having the 0.001 P value; again, it is less than 0.05, which indicates the significance of the variable. In other words, the sign values show that the independent variable's indicators have a significant influence on the dependent variable.

Findings and Conclusion

The result of this study shows the value of alpha 0.708 exceeds 0.70%, which indicates that the questionnaire is reliable. All of the variable's mean values are close to one another, indicating that the estimation technique does not have any biases. The variable's maximum and minimum values are close to one another. As a result, there is no outlier among the variables, which indicates the result's accuracy. Table 3 shows that Training and Development are weakly correlated and Job Satisfaction is strongly correlated with the dependent variable as Organizational Performance. The coefficient of determination showed a 47.9% variation in organizational performance is explained by job satisfaction, training, and development. The ANOVA table shows the model is significant, and variables are significantly correlated. The results further show that the coefficient of correlation for training and development is 0.16 and for job satisfaction is 0.63,

which means that a 1% increase in training and development and job satisfaction will increase organizational performance by 16% and 63% simultaneously. The results found a significant effect of human resources development on organizational performance in private universities of eastern Afghanistan.

Conclusion

Considering the current context of the study, this study has a lack of empirical studies, especially dealing with scrutinizing how human resources development affects organizational performance, as in the case of universities. To equip the employees to better shape and achieve a competitive advantage to produce a better result, forecasting and providing the means to properly upgrade employees are essential for organizations to use proper HRD practices that could surely build a sense of employee job satisfaction that could best inspire them towards organizational effective performance and development. Thus, it showed reliability and allows for a better understanding of the variables. Both measures were positively related to each other as expected.

In Afghanistan, many educational institutions do not meet global standards. The quality of some graduates who are stepping out of the local universities is not up to the desired level, and they are not producing adequate results, which is a matter of concern. This is mainly due to the low quality of the education system and low preferences towards human resources development. One of the main reasons for the current situation is unmotivated and inefficient people who consider the teaching profession as a substitute when nothing else is available to be engaged in. Similarly, some institutions are engaged in fulfilling their personal interests rather than the satisfaction of their workforce and the need of society.

To comprehend the true picture of the matter, the study tried to provide the answer to the research question and identify the effect of human resources development on organizational performance concerning universities in eastern Afghanistan. This study indicated the possibility of assisting universities and decision-makers to focus on and improve standardized HRD practices, giving the most attention and consideration toward employees' job satisfaction, which could develop employees' capabilities in improving organizational performance.

Through this study, one finds that universities are required to concentrate on effective HRD practices to build excellent employee capabilities, which will lead to employee job satisfaction. The requirement is to integrate organizational performance and human resource development, which seems required now.

It is recommended that the universities take the issue of HRD seriously as a way to improve performance because sufficiently trained, informed, motivated, and managed HR can move the institutions toward development. The specific determinations of the training and development programs should be based on the training needs of employees that could best shape their overall job satisfaction through which they may contribute towards improved organizational performance.

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