



DOI: <https://doi.org/10.38035/gijlss.v3i2>  
<https://creativecommons.org/licenses/by/4.0/>

## Evaluation of The Effectiveness of Human Resource Performance Development Program in Improving Company Competitiveness

Herminio Chaves Almeida<sup>1</sup>, Pudji Astuty<sup>2</sup>

<sup>1</sup>Universitas Borobudur, Jakarta, Indonesia, [herminioalmeida529@mail.com](mailto:herminioalmeida529@mail.com)

<sup>2</sup>Universitas Borobudur, Jakarta, Indonesia, [pudji\\_astuty@borobudur.ac.id](mailto:pudji_astuty@borobudur.ac.id)

Corresponding Author: [herminioalmeida529@mail.com](mailto:herminioalmeida529@mail.com)<sup>1</sup>

**Abstract:** This research analyzes the effectiveness of human resource development programs in enhancing company competitiveness. Through qualitative and quantitative approaches, the study was conducted on 150 employees from 5 different companies. The results indicate that structured HR development programs aligned with company strategic objectives correlate positively with increased organizational competitiveness. Factors such as top management support, clarity of program objectives, and continuous evaluation are determinants of program success. This study provides practical recommendations for companies in designing and implementing effective HR development programs to improve their competitive position in the market.

**Keywords:** HR Development, Employee Performance, Company Competitiveness, Program Evaluation, Organizational Strategy

### INTRODUCTION

In the era of globalization marked by increasingly intense business competition, human resource (HR) development has become one of the strategic aspects that determine a company's sustainability and progress. According to Dessler (2020), human resources are valuable assets that play a crucial role in creating sustainable competitive advantage. Well-designed HR performance development programs can improve productivity, innovation, and organizational adaptability to changes in the business environment. Previous studies have shown that companies that invest in employee competency development tend to have better financial performance compared to their competitors (Noe et al., 2022).

However, not all HR development programs yield the expected results. Some programs fail due to misalignment with organizational needs, improper implementation, or lack of an adequate evaluation system. This study aims to evaluate the effectiveness of HR performance development programs and identify the critical factors that influence their success in enhancing company competitiveness. The findings are expected to provide practical guidance for HR managers and company leaders in designing and implementing development programs that make a real contribution to improving organizational performance.

## METHOD

This study employed a mixed methods approach by combining quantitative and qualitative methods to gain a broader understanding of the effectiveness of HR performance development programs. Data were collected from 150 employees across five companies operating in the manufacturing and service sectors in Indonesia.

The research instruments included a structured questionnaire measuring employee perceptions of development programs, interviews with HR managers and department heads, and document analysis related to program policies and implementation. The questionnaire was developed based on program effectiveness dimensions adapted from the Kirkpatrick model and validated through a pilot study with 30 respondents.

Quantitative data analysis was conducted using descriptive and inferential statistics, including correlation analysis and multiple regression to examine the relationships among the research variables. For the qualitative data, thematic analysis was applied to identify patterns and key themes from interviews and documents. Data triangulation was used to ensure the validity and reliability of the research findings.

## Research Ethics

Research ethics were maintained by obtaining written consent from all participants and ensuring the confidentiality of personal data. The study was conducted over a six-month period, from January to June 2024, observing the impact of development programs that had been implemented for at least one year.

## RESULTS AND DISCUSSION

### Characteristics of HR Performance Development Programs

The study revealed variations in the approaches and characteristics of HR performance development programs among the companies surveyed. Three main categories of programs were identified: technical development programs focused on job-specific skills (42%), management and leadership development programs (35%), and general competency programs such as communication and teamwork (23%).

The majority of companies (76%) had integrated development programs with their performance management systems, but only 53% explicitly aligned these programs with long-term business strategies. Program duration ranged from short training sessions of a few hours to ongoing development programs lasting 6–12 months.

Data indicated that companies employing a blended learning approach—combining face-to-face learning with e-learning and on-the-job training—achieved higher participant satisfaction levels (average score of 4.2 out of 5) compared to those relying solely on conventional methods (average score of 3.5 out of 5).

### Impact of Programs on Individual and Organizational Performance

Correlation analysis showed a significant positive relationship between participation in development programs and improvements in individual performance ( $r = 0.64$ ,  $p < 0.01$ ). Employees who took part in the programs reported increases in technical knowledge (78%), problem-solving skills (72%), and work motivation (65%).

At the organizational level, companies investing at least 5% of their annual budget in HR development experienced an average productivity increase of 12% and an 18% reduction in employee turnover compared to the previous year. As stated by Mathis & Jackson (2023), sustained investment in employee development yields cumulative effects on overall organizational performance.

A case study of Company A, which had implemented a systematic leadership development program for three years, showed an increase in customer satisfaction index from

75% to 88% and an annual revenue growth of 15%, largely attributed to improved service quality and product innovation.

### Critical Success Factors of the Program

Based on multiple regression analysis, three main factors influence the effectiveness of HR development programs: (1) tangible support from top management ( $\beta = 0.42, p < 0.01$ ), (2) alignment of the program with individual and organizational needs ( $\beta = 0.38, p < 0.01$ ), and (3) systematic evaluation and feedback mechanisms ( $\beta = 0.35, p < 0.01$ ).

Qualitative data from interviews confirmed these findings. As expressed by an HR manager: *“Active involvement from company leadership in designing and overseeing the development program sends a strong signal to employees that learning and development are strategic priorities of the organization”* (Informant 3).

This study also identified factors that hinder program effectiveness, including: limited time to apply new skills (68%), lack of post-program follow-up (57%), and unclear linkage between development activities and career pathways (49%). These findings support Hutchins’ (2021) argument that learning transfer requires a supportive work environment and consistent reinforcement systems.

### Contribution to Company Competitiveness

The results of the study indicate that HR development programs contribute to enhancing company competitiveness through several mechanisms. First, improved employee technical and managerial skills directly affect product and service quality. Second, the development of innovation capacity and adaptability enables companies to respond more quickly to market changes. Third, a reputation as an organization that invests in employee development helps attract and retain top talent.

Data analysis from the five companies showed a significant positive correlation between the HR development index (a composite of program coverage, intensity, and quality) and competitiveness indicators such as market share ( $r = 0.59, p < 0.01$ ), revenue growth ( $r = 0.63, p < 0.01$ ), and innovation value ( $r = 0.51, p < 0.01$ ).

As an illustration, Company C successfully entered a new market segment and increased its market share by 8% within two years after implementing a digital capability development program for frontline and mid-level employees. As stated by its operations director: *“The digital development program not only improved operational efficiency but also shifted employee mindsets to be more solution- and innovation-oriented”* (Informant 7).

## CONCLUSION

This study demonstrates that effective human resource performance development programs significantly contribute to enhancing company competitiveness. However, such effectiveness does not occur automatically—it requires a strategic approach that includes thorough planning, systematic implementation, and continuous evaluation.

The findings highlight the importance of aligning development programs with long-term business strategies, creating an environment that supports the application of new skills, and developing mechanisms to measure the impact of programs on individual and organizational performance. Tangible support from top management and active involvement of key stakeholders are prerequisites for program success.

This study contributes to the theoretical understanding of the relationship between HR development and competitive advantage, and also offers practical guidance for HR practitioners in designing and evaluating strategically valuable development programs. For future research, it is recommended to conduct longitudinal studies that can trace the long-term

impact of HR development investments on business sustainability and organizational adaptability in response to external environmental changes.

## REFERENCES

- Armstrong, M. (2021). *Armstrong's Handbook of Human Resource Management Practice* (16th ed.). Kogan Page.
- Barney, J. B. (2018). *Strategic Management and Competitive Advantage*. Pearson.
- Becker, G. S. (1993). *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education* (3rd ed.). University of Chicago Press.
- Beer, M., Spector, B., & Lawrence, P. R. (2021). *Managing Human Assets: The Groundbreaking Harvard Business School Program*. Free Press.
- Dessler, G. (2020). *Human Resource Management* (16th ed.). Pearson.
- Garavan, T. N. (2022). *Strategic HRD: Creating the Learning Organization*. Sage Publications.
- Hutchins, H. M. (2021). *Transfer of Learning: Contemporary Research Applications*. Routledge.
- Kirkpatrick, J. D., & Kirkpatrick, W. K. (2016). *Kirkpatrick's Four Levels of Training Evaluation*. ATD Press.
- Lee, C., Lee, H., & Kim, J. (2023). HR development investments and firm performance: Examining the mediating role of innovative capabilities. *Journal of Management Development*, 42(3), 201-217.
- Marsick, V. J., & Watkins, K. E. (2020). *Informal and Incidental Learning in the Workplace*. Routledge.
- Mathis, R. L., & Jackson, J. H. (2023). *Human Resource Management* (16th ed.). Cengage Learning.
- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2022). *Human Resource Management: Gaining a Competitive Advantage* (12th ed.). McGraw-Hill Education.
- Phillips, J. J. (2018). *The Value of Learning: How Organizations Capture Value and ROI*. Berrett-Koehler Publishers.
- Porter, M. E. (2020). *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. Free Press.
- Sung, S. Y., & Choi, J. N. (2021). Do organizations spend wisely on employees? Effects of training and development investments on learning and innovation in organizations. *Journal of Organizational Behavior*, 39(4), 705-721.
- Tannenbaum, S. I. (2019). A strategic view of organizational training and learning. *The Cambridge Handbook of Workplace Training and Employee Development*, 17-38.
- Ulrich, D. (2019). *HR from the Outside In: Six Competencies for the Future of Human Resources*. McGraw-Hill Education.
- Wang, G. G., & Ellinger, A. D. (2019). Examining approaches to HR evaluation: The strengths and weaknesses of different methods. *Human Resource Development Quarterly*, 30(3), 319-338.