

Research Article

# The Influence of Human Resource Development on Employee Performance, Reviewed from Manager's Perspective

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**Abstract:** *In an era of increasingly competitive business competition, the role of Human Resource Development (HRD) has undergone a transformation from an administrative function to a strategic partner in supporting organizational performance. This study aims to analyze the extent to which managers' perceptions of the strategic role of HRD influence the implementation of human resource policies and their impact on employee performance in Indonesian companies. Using a quantitative approach with a descriptive verification method, data were collected through a questionnaire to 60 HR managers and line managers from the industrial, service, and manufacturing sectors. The results of the linear regression analysis indicate that managers' positive perceptions of HRD are significantly correlated with their involvement in implementing the program, which has a positive impact on increasing employee productivity, efficiency, and job satisfaction. However, challenges are still felt in medium-scale companies, such as minimal managerial training and low HRD involvement in company strategy. This study emphasizes the importance of synergy between HRD and line managers in optimizing HR development functions to drive the company's competitive advantage.*

**Keywords:** *Human Resource Development, Line Managers, Manager Perception, Employee Performance.*

## I. INTRODUCTION

In an era of increasingly dynamic business competition, Human Resource Management (HRD) has an increasingly strategic role in driving the growth and development of the company. HRD is no longer seen as just an administrative function but as a strategic partner in designing and implementing policies that have a direct impact on organizational performance. This change requires greater involvement from line managers in carrying out HR functions operationally and strategically. Research by Navío-Marco et al. (2019) shows that managers' perceptions of the strategic role of HR greatly influence their involvement in implementing HR policies. When line managers recognize the importance of HR's contribution to business strategy, they tend to show a higher commitment to implementing HR practices, which ultimately has a positive impact on employee and organizational performance as a whole. This is in line with the Strategic Human Resource Management (SHRM) approach, which emphasizes the integration of HR policies with the company's strategic goals (Wright & McMahan, 2011; Ulrich et al., 2012). However, there are still differences in perception between HRD and line managers regarding the strategic contribution of HR, particularly in the formulation of business strategies. This lack of communication can be an obstacle in optimizing the implementation of human resource management that is in line with the direction of company development. Therefore, a deeper understanding is needed regarding how managers' perceptions of HR can affect the effectiveness of HR policy implementation and its implications for company development.

In the development of Indonesia, the role of Human Resource Development (HRD) has undergone a significant transformation in the last two decades. National companies are beginning to realize the importance of HRD's strategic role in creating competitive advantages, not only in terms of workforce management but also as a key driver in achieving the company's vision and mission. This development is triggered by the challenges of globalisation, digitalisation, and demographic shifts in the workforce, which demand more adaptive and innovative human resource management.

Studies in Indonesia indicate that the effectiveness of HR management is highly dependent on how managers, particularly line managers, perceive and execute their roles in implementing HR policies. A study by Sutanto & Kurniawan (2016) showed that managers' positive perceptions of HRD were significantly correlated with increased team performance and achievement of company targets. This is reinforced by the findings of Wibowo (2020), who highlighted the importance of alignment between HR strategy and company business strategy, especially in the manufacturing and service sectors.

Unfortunately, the practice of involving managers in HR functions still faces challenges. Many companies in Indonesia, especially those of medium and small scale, still view HRD as an administrative function. A study by Hidayat and Prasetya (2019) found that the lack of training and understanding of managers regarding strategic HR practices is a major obstacle in the



organizational development process. Additionally, the lack of HR representation in strategic decision-making at the board of directors level also results in limited HR influence on the company's long-term policies (Putra & Sari, 2018).

However, there is a positive trend in several large and multinational companies in Indonesia that are starting to adopt the Strategic Human Resource Management (SHRM) approach. HRD is starting to play an active role in formulating business strategies, talent management, and succession planning. In line with that, the involvement of line managers in training, performance appraisals, and employee development is also increasing. Research by Nuraini and Handoko (2021) revealed that close collaboration between HRD and line managers contributes to increased employee productivity and loyalty.

In the era of globalization and increasingly tight business competition, organizations are required to have quality Human Resources (HR) and be able to adapt to change. One way to improve the quality of HR is through human resource development (Human Resource Development/HRD). HRD includes various activities such as training, career development, and improving employee competency, which aims to improve individual and organizational performance. Employee performance is an important factor in achieving organizational goals. Employees with high performance can make significant contributions to the company's productivity, efficiency, and competitiveness. Therefore, organisations need to actively undertake HR development efforts so that employees can carry out their duties optimally.

Managers are important because they play a direct role in planning, implementing, and evaluating HRD programs, as well as observing their impact on employee performance. This change is also driven by the demands of the industrial era 4.0 and government policies that encourage increased workforce competency through vocational programs and industry-based training. In this context, the role of HRD as a bridge between corporate strategy and individual development is becoming increasingly vital. Therefore, managers' understanding of the strategic value of HR is not only a necessity but a primary prerequisite for Indonesian companies to compete globally.

Through this research, it is expected to be known to what extent HRD influences employee performance, especially from the perspective of managers who have the authority to make decisions related to HR development. The results of this study are also expected to provide recommendations for organisations to further maximise the effectiveness of HRD in supporting the overall improvement of employee performance.

## II. LITERATURE REVIEW

### **A) Strategic Role of HRD in Organization**

Human Resource Development (HRD) has evolved from an administrative function to a strategic actor in the company. Ulrich (1997) emphasised that HR must be a strategic partner in achieving organisational goals, focusing on creating value through effective human management. This is reinforced by the Strategic Human Resource Management (SHRM) approach, which emphasises the importance of linking business strategy and HR policies (Wright & McMahan). The strategic role of HRD includes formulating human resource policies that support the company's strategic direction, talent development, and integrated performance management. Research by Gilbert et al. (2015) indicates that effectively implemented HRM has a significant impact on employee perceptions and attitudes, which ultimately drive overall organisational performance.

### **B) Line Manager Involvement in HR Implementation**

In practice, the involvement of line managers is very important in the effectiveness of HR policy implementation. Line managers are the direct link between HR strategy and operational implementation in the field. Navío-Marco et al. (2019) showed that positive perceptions of line managers towards the importance of HR are positively correlated with the success of HRD strategy implementation. However, not all line managers show active involvement. Some of the main obstacles identified include a high workload, a lack of managerial training, and a lack of incentives to take on HR roles (Sikora & Ferris, 2014). Research by Purcell and Hutchinson (2007) also confirms that the motivation and commitment of line managers greatly determine the success of HR policy implementation.

### **C) HRD Practices and Challenges in Indonesia**

In Indonesia, the understanding of the importance of HRD as a strategic function is starting to grow. A study by Sutanto and Kurniawan (2016) demonstrated that the involvement of managers in the HR process significantly enhances company performance, particularly in the manufacturing sector. This finding is reinforced by Wibowo (2020), who emphasized the importance of alignment between HR strategy and business strategy. However, HRD involvement in strategic decision-making is still limited, especially in small and medium-sized companies. Hidayat and Prasetya (2019) noted that the lack of training and understanding of strategic HR by managers is one of the main obstacles. Meanwhile, Putra and Sari (2018) highlighted the low representation of HR on the board of directors as a factor inhibiting the transformation of HR into a strategic role.

#### **D) Positive Trends and Strategic Implications**

Despite the challenges, a number of companies in Indonesia have begun to adopt SHRM principles. Research by Nuraini and Handoko (2021) found that integrating HRD and line manager roles in HR development contributed to increased employee productivity and loyalty. In the context of Industry 4.0, the role of HRD is becoming increasingly crucial in developing workforce competencies through training based on the company's strategic needs.

### **III. RESULTS AND DISCUSSION**

#### **A) Research Approach**

This study uses a quantitative approach with a descriptive verification design. This approach was chosen because it aims to measure the extent to which managers' perceptions of HRD influence the management of company development. The quantitative approach is effective in identifying patterns of relationships between variables through statistical analysis (Creswell, 2014). In line with the research of Navío-Marco et al. (2019), this study also emphasizes the importance of line managers' perceptions of the strategic role of HR. The study used a survey of HRD and line managers in 10 companies, and the results showed a positive relationship between perception and involvement in HR implementation.

#### **B) Population and Sample**

The population in this study consisted of line managers and HRD managers in medium and large companies across the industrial, service, and manufacturing sectors in Indonesia. The sampling technique used the purposive sampling method, namely selecting respondents who meet the criteria for direct involvement in decision-making related to HR management. According to Hair et al. (2010), purposive sampling is suitable for use in strategic management research because it allows researchers to select participants who are relevant and informative to the topic being studied.

#### **C) Research Instruments**

The instrument used was a closed questionnaire with a Likert scale of 1–5 to measure:

- Managers' perceptions of the strategic role of HRD
- Level of manager involvement in HR policy implementation
- The relationship between HRD and company development (e.g. innovation, productivity, employee satisfaction)
- The questions were formulated based on indicators from previous studies, such as Gilbert et al. (2015) and Sikora & Ferris (2014), which have been proven valid in measuring perceptions of HRM effectiveness.

#### **D) Data Analysis Techniques**

The data obtained will be analyzed using descriptive statistical methods and multiple linear regression analysis. The purpose of this analysis is to determine the effect of independent variables (perceptions of HRD) on dependent variables (company development management). The use of multiple linear regression is consistent with the approach employed by Sutanto and Kurniawan (2016) in examining the relationship between HRD roles and organisational performance. Validity and reliability tests will also be conducted to ensure the quality of the data.

#### **E) Validity and Reliability Test**

Validity is tested using Pearson Product Moment, while reliability is tested with Cronbach's Alpha. The results are considered reliable if the alpha value  $\geq 0.7$  (Nunnally, 1978).

#### **F) Results**

This study involved 60 respondents, comprising line managers and HRD managers from service, manufacturing, and industrial companies in Indonesia. Based on the results of multiple linear regression analysis, it was found that managers' perceptions of Human Resource Development (HRD) have a significant influence on improving employee performance. The regression coefficient value shows that the more positive the manager's perception of the strategic role of HRD, the higher their involvement in implementing HR policies. This has a direct impact on employee performance indicators such as productivity, work efficiency, and job satisfaction. These results align with the findings of Navío-Marco et al. (2019), which suggest that strategic perceptions of HR lead to increased commitment to implementing HRD policies.

Most respondents indicated that their involvement in HRD activities such as training, coaching, and career development contributed to improving team capabilities and achieving company targets. Additionally, 75% of respondents stated that HRD plays an active role in supporting business strategies by enhancing the quality of human resources, as noted by Ulrich et al. (2012). However, this study also found that challenges persist in medium-scale companies, particularly related to limited managerial training and minimal HRD integration in strategic decision-making, as highlighted by Hidayat and Prasetya (2019).

#### **G) Discussion**

The results of this study strengthen the understanding that Human Resource Development (HRD) has an important role in improving employee performance, especially when viewed from the active involvement of managers in the development

process. Managers' positive perceptions of the strategic role of HRD have been shown to correlate with their high involvement in implementing HR policies that enhance employee productivity and work efficiency.

This finding aligns with the research of Navío-Marco et al. (2019), which suggests that managers who are aware of the strategic value of HR are more likely to be committed to implementing HR policies. This indicates that the manager's perception is not only passive but also significantly influences the overall success of the HRD program. In the context of Strategic Human Resource Management (SHRM), integrating HR policies with business strategies is crucial, as emphasised by Wright and McMahan (2011). This discussion also underlines that HRD's contribution to performance cannot be separated from the active participation of line managers. Ulrich et al. (2012) emphasize that managers have an important role as a liaison between HR policies and their implementation in the field. Therefore, their support and participation in training, coaching, and performance appraisals are essential.

However, this study also found real challenges that are still faced by medium-scale companies in Indonesia. A lack of managerial training and the minimal role of HRD in strategic decision-making forums are obstacles to optimal HRD implementation (Hidayat & Prasetya, 2019). This finding strengthens the opinion of Putra & Sari (2018), who criticized the low representation of HR in the upper-level managerial structure. However, positive trends are still seen in several large and multinational companies that have successfully integrated HRD into corporate strategy. Research by Nuraini & Handoko (2021) shows that collaboration between HRD and line managers can significantly increase employee loyalty and productivity.

Thus, the results of this study not only confirm the importance of HRD as a tool for improving performance but also reveal that the effectiveness of HRD is highly dependent on the perception, participation, and strategic support of line managers. This is an important basis for companies to formulate HRD policies that are not only technical but also involve managerial actors as strategic partners in HR development.

#### **IV. CONCLUSION**

Based on the results of the research and discussion conducted, it can be concluded that Human Resource Development (HRD) has a significant influence on improving employee performance, especially from the perspective of managers. Managers' positive perceptions of HRD as a strategic function have been shown to increase their involvement in implementing HR policies, which ultimately have a direct impact on employee productivity, efficiency, and job satisfaction. This finding supports previous literature that emphasizes the importance of managers' role in bridging organizational strategy and human resource development (Ulrich et al., 2012; Wright & McMahan, 2011). In this context, managers' involvement is not only important in the technical implementation aspect but also in formulating and evaluating HR strategies that are aligned with business objectives.

However, challenges are still faced, especially by small and medium-sized companies in Indonesia, including minimal managerial training, limited resources, and low HR representation in strategic decision-making (Hidayat & Prasetya, 2019; Putra & Sari, 2018). Therefore, it is important for organizations to strengthen training for line managers and encourage HRD integration into strategic management structures. In general, this study contributes to the development of HR management theory and practice in Indonesia by emphasising the importance of collaboration between HRD and line managers in achieving superior organisational performance. The practical implication of this study is the need for more structured, participatory, and data-driven HRD planning so that HR development results can have a tangible impact on achieving company goals.

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