

Original 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 show that managers' positive perceptions of HRD are significantly correlated with their involvement in implementing the program, which has an 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, especially in the process of formulating 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.

The function of Human Resource Development (HRD) has undergone a radical transformation in the past two decades within the working environment, driven by improvements in Indonesia. National companies surely realise that HRD's role is much more strategic than merely being a management of labour but also an enabler in the accomplishment of the company's vision and mission. This development is a response to challenges such as globalization, digitalisation and changes in demographics of the workforce, requiring more flexible approaches to human resource management.

Research conducted by Sundarma, J.E (2020) in Indonesia proves that the performance of HR management is closely related to human behavior especially what managers do as line manager interpret their roles and perform activities when implementing programs/policies/HR. Sutanto & Kurniawan (2016) found that managers who have positive perceptions of HRD are correlated to a significant increase in the performance and target achievement of the team at work. This is supported by research conducted by Wibowo (2020), which found that an appropriate alignment of HR strategy with company business strategy will have a good impact on performance both in manufacturing and service sectors.

Unfortunately, the practice of involving managers in HR functions still faces challenges. Many companies in Indonesia, especially medium and small-scale, still place 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. In addition, the lack of HR representation in strategic decision-making at the board of directors level also



causes low 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). In Human Resource Development (HRD), you can find activities such as training and career growth that focus on developing the same skills. Well, one of the formalities that lead to success in achieving organizational goals is Employee Performance. High-performance employees have the potential to be a key driving force for better productivity, efficiency and competitiveness of the overall organization. So, organizations must take initiatives in terms of HR development so that the employees can perform their function to maximum efficiency.

Managers directly deal with the planning, implementation and evaluation of HRD programs. In addition, this change is driven by the demands of industrial era 4.0 and government policies to improve the workforce through vocational training from school level as well as industry-based education such as local knowledge for their development [6]. Thus, HRD as a connection between corporate strategy and individual development is becoming essential to this process. 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 organizations to further maximize the function of HRD to support the improvement of employee performance as a whole.

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) emphasized that HR must be a strategic partner in achieving organizational goals with a focus on creating value through human management. This is reinforced by the Strategic Human Resource Management (SHRM) approach, which emphasizes the importance of the linkage between 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) states that effectively implemented HRM has a significant impact on employee perceptions and attitudes, which ultimately drives overall organizational 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 found include high workload, lack of managerial training, and lack of incentives to take over 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. Furthermore, according to the research results of Sutanto and Kurniawan (2016), in HR practice based on a high-performance work system, managers should be involved, which is proven by a significant increase in firm performance with this activity, especially for manufacturing firms. Wibowo (2020) also supports this finding and reveals that HR strategy must also be in line with business strategy. But HRD's role in strategic decision-making is still quite limited, particularly in small and medium businesses. The study of Hidayat and Prasetya (2019) states that the lack of training is caused by managerial ignorance about strategic human resources, which is one obstacle. On the other hand, Putra and Sari (2018) explained that one of the factors that becomes a barrier to HR transformation into a strategic role is that only a small portion of HR is on the board of directors.

D) Positive Trends and Strategic Implications

But, a few companies in Indonesia have started to adopt SHRM principles. Nuraini and Handoko (2021) found that integration of HRD design as a combined role with line manager roles in the development of human resources was a factor in

increasing productivity and employee loyalty. The importance of HRD in training the workforce to meet company strategic needs is gaining increased significance in Industry 4.0.

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 were line managers and HRD managers in medium and large companies in 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 will be analyzed by using descriptive statistics and multiple linear regression analysis. The aim of this analysis is to identify the impact of independent variables (perceptions of HRD) on the dependent variable, company counselling management. This research using multiple linear regression is consistent with Sutanto & Kurniawan (2016) in their examination of HRD roles diagnosis to organizational performance. To ensure data quality, the validity and reliability tests will also be performed.

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 ≥ 0.7 (Nunnally, 1978).

F) Results

This study involved 60 respondents consisting of line managers and HRD managers in 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 are in line with the findings of Navío-Marco et al. (2019), which state that strategic perceptions of HR increase commitment to implementing HRD policies.

The majority of respondents indicated that as part of their job roles, they were engaged in HRD activities such as training, coaching and career development, which helped them build the capabilities needed for people working together to achieve company targets. Moreover, 75% of them said the HRD's active role in business strategies relates to improving human resources quality, as Ulrich et al. (2012) noted. However, this study also found that challenges are still felt in medium-scale companies, especially 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 have an impact on increasing employee productivity and work efficiency.

This result agrees with that published by Navío-Marco et al. (2019), which points out that it is more likely to have managerial commitment to implementing HR work from a behavioural point of view when they are aware of the strategic value of HR. This means that the perception of managers is not only passive, but it would dictate whether or how well HRD programs work as a whole. Wright & McMahan (2011) make the same point in their definition of Strategic Human Resource Management (SHRM), which is that "a focus on how HR policies fit together with business strategies." This debate also supports the argument that HRD's role in performance is inseparable from line manager involvement. Ulrich et al. (2012) highlight the crucial role that managers play in acting as a linkage between HR policy and practice. Hence, their presence and input in training, coaching and performance appraisals is a must.

However, this study also found real challenges that are still faced by medium-scale companies in Indonesia. Lack of managerial training and 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 that have been conducted, it can be concluded that Human Resource Development (HRD) has a significant influence on improving employee performance, especially when viewed from the perspective of managers. HRD as a strategic function increases managers' positive perceptions about HR and encourages them to participate in implementing HR policies, which can affect employees' productivity, efficiency, or job satisfaction directly (Kongphan-Angsri et al.). This finding reinforces former literature that underscores the prime agency of managers in linking organization strategy and human resource development (Ulrich et al., 2012; Wright & McMahan, 2011). Here, the role of managers is significant not only in terms of technical implementation but at the stage where they have to formulate and measure HR strategies that meet business targets.

However, small and medium-sized companies have to face a lot of challenges in Indonesia, such as little training on management skills; limited resources available for creating HR programs or departments inside their units; and poor representation by human resources within the decision-making structure (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 emphasizing the importance of collaboration between HRD and line managers in building superior organizational performance. The practical implication of this study is the need for more structured, participatory, and data-based HRD planning, so that HR development results can have a real impact on achieving company goals.

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