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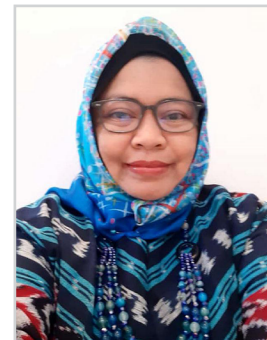
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Human resource development effects on staff and the organization performance

Abstract. The objective of the current paper is to investigate the impact of human resources development to improve productivity in financial organizations. The research was done in two ways - qualitative and quantitative. In qualitative approach, some financial experts were selected and after using a Delphi interview, some of the main performance indexes were considered. In the quantitative model, the productivity rate of the organization has been modeled based on the development of human resources and material capital of the organization, so that after designing the performance management model according to the intended indexes, the quantitative procedure was started in the form of the presented model. The statistical population includes 325 employees working in the Halal food industry with more than five years of experience. The research tools for evaluating individual, group and organization performance variables and enhancing productivity are researcher-made questionnaires, which were considered using content validity, and reliability which is determined utilizing internal consistency using the Kolmogorov-Smirnov method. The findings of the research show that the development of human resources affects the company's performance through three factors: management, employee structure, and organizational structure. The square of the multiple correlation coefficient of the productivity improvement variable (0.88) shows that the independent factors of management performance explain 88% of the variance of them. The result of the research indicated that according to the fit indices of the model, the proposed model is an appropriate and accurate one for establishing the human resources performance model in order to enhance the productivity of Halal food companies.

Keywords: Human Resource Development; Halal Food Industry; Employee Performance; Staff Structure; Organizational Structure; Productivity

JEL Classifications: E24; E41; E64; I18; J28; J31

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1. Introduction and Brief Literature Review

Today, organizations need continuous improvement of their action to progress in the business environment. Modern organizations have realized that attention to human resources, their management and the establishment of a comprehensive human resources system can have a wide-ranging effect on the organization's departments; including its performance (Nainggolan et al., 2024).

In recent years, due to the evolution of the role of HRM, another definition of HRM has been made, which is called the effectiveness of HRM (Aladwan et al., 2015; Armstrong & Taylor, 2006). This concept can be seen in the studies of many researchers, in this research they seek to express the value of what HR professionals do to maintain the organization and how HRM activities are related to the desired organizational results. Even many consider the performance of HRM as one of the main factors in the organization performance and efficacy. Berghenhenegouwen et al. (1997) have discussed the efficacy of HRM. He has divided efficacy into two areas: technical and strategic efficacy. The technical part of efficacy linked to HRM activities or its services, which are common in all organizations. Whilst the technical efficacy is related to the traditional HRM activities such as (recruitment, education, employment, health and safety, labor relations regulation, evaluation, planning, etc.).

Nowadays, increasing competition in the national and international arena for companies and organizations has caused continuous efforts to create competitive products, and on the other hand, it has caused them to try to attract suitable human resources in order to produce and provide it. The requirement of this competition is that the organization tries to attract, develop, evaluate and maintain human resources using different methods. But the main challenge in this direction is the lack of using an integrated and coherent model of these methods and systems in human resource management in a systematic and continuous manner (Alwi & Shaiq, 2021).

Creating a competitive advantage through people requires thinking about the processes that fully affect these resources. Human resource management practices are programs that are designed and implemented to improve employee performance so that employees meet performance expectations effectively. Today's organizations have realized that paying attention to human resources management and establishing a comprehensive human resources system can have a very wide impact on various parts of the organization, including its performance. Human resource management methods mean all the tasks that human resource management applies to manage its human resources. These practices may arise in one or all areas of human resources. Considering the gradual evolution and expansion of the role of human resource management over time, experts have listed several methods for it. Investigations show that in most cases there is a consensus in these methods and the existence of some differences due to the expansion of the increasing role of human resources and its evolution in organizations, differences between organizations, differences in the extra-organizational environment and changes in organizations and the internal environment and Organizations are external over time. Based on the strategic model of human resources management, these methods can be classified into recruitment, training, motivation and retention (Arifin et al., 2023; Kehoe & Wright, 2013).

Jouda et al. (2016) stated in an article that performance management is a more meaningful and broader concept compared to performance evaluation. Shaukat et al. (2015) in a study designed a performance management system for a tea company using qualitative methods. It was concluded that the performance management system includes various processes and instructions, in addition, a time frame of the system was provided to provide a clear picture of how the processes were carried out during the year in the management of performance and human resources in a growing company. Kehoe & Wright (2013) investigated the effect of the performance management system on the performance of the employees of the Food and Agriculture Organization (FAO). The data collection tool was structured questionnaires that used the software, SPSS, were analyzed. The results showed that there is a great need for a performance management system in the FAO organization.

2. Research Methods

Human resource development is defined as the process of increasing people's choices, because in this way, by acquiring more capabilities and benefiting from better opportunities, they can improve their well-being. Human resource development implies that not only people benefit from development, but they should also influence the process that shapes their lives (see Figure 1; Arifin et al., 2023).

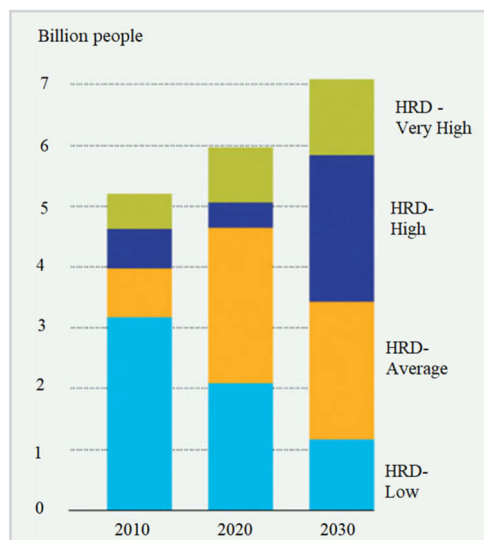


Figure 1:
HRD situation in the world
Source: Authors' own research

Meanwhile, economic growth is considered as an important component in human development, although it is not the whole goal of development. It should also be said that there is no automatic connection of economic growth and Human resource development, in other words, mere economic growth does not necessarily lead to human development.

Growth theories are proposed to model and evaluate the production growth process. In examining the growth of an economic parameter, we no longer refer to fluctuations. It is another matter to identify the factors that affect the occurrence of volatility and to try to curb the volatility. The theory of economic cycles is also used to examine the volatility graph (Hexmoor & Maghsoudlou, 2024; Kosasih et al., 2023). One of the most popular models for examining production growth is the Solo model. A model is a mathematical description of an economic phenomenon. The advantage of such models is that they make the complex realities of the world simple and observable for us, with appropriate assumptions.

In this research, the statistical community includes 325 employees working in the Halal food industry with more than five years of experience. The employed tools for measuring individual, group and organization performance variables and enhancing productivity are researcher-made questionnaires. Frequency, percentage, cumulative percentage, mean and standard deviation are utilized to investigate the data, and independent t-test was used at the level of inferential statistics.

The advantage of a model is its simplicity and high efficiency in describing the desired phenomenon. In the rest of this section, the Solo growth model is presented briefly. The parameters used in this model are g , n and δ . The number n represents the growth rate of the human source, g is the technology growth rate and δ is the capital depreciation rate. The production function under consideration is in the following form:

$$Y = F(K, AL); \quad n = \frac{L^*}{L}; \quad g = \frac{A^*}{A}, \quad (1)$$

where: K represents the total physical capital used in the production process and L represents the labor force (human capital) involved in production. The coefficient A is also an indicator of the quality of the labor force used, the result of the impact of technology. Finally, Y represents the total output resulting from the employment of capital and human resources.

The function of changes in capital relative to labor is expressed as follows:

$$k^* = sf(k) - (n + g + \delta)k. \tag{2}$$

In the long run, the equilibrium point of capital is where $\dot{k} = 0$, so the golden rule of economic growth is:

$$\dot{f}(k^*) = n + g + \delta. \tag{3}$$

In the following analysis, we calculate the share of each of the factors of production, namely, capital and human resources. If the assumption is that α is the share of physical capital from all production, then, the share of human resources will be $1-\alpha$. In this case we will have:

$$\alpha = \frac{k^* \dot{f}(k^*)}{(f(k^*))}. \tag{4}$$

3. Results

From the point of view of choosing the appropriate statistical analysis for the collected data, it is first necessary to evaluate the distribution of the data based on the variables of the presented model in terms of normality, which is used in this research by the Kolmogorov-Smirnov test.

Based on the values presented in Table 1, considering that the significance level of the Kolmogorov-Smirnov z statistic is greater than 0.05, it can be concluded that the assumption of the normality of the distribution of the scores of the human resources components, the staff structure, and the organizational structure is confirmed. In this way, it can be confirmed that the scores have a normal distribution.

Table 1:
Kolmogorov-Smirnov test for human resources management profiles, employee structure, organizational structure

Variables	Human resource management	Staff structure	Organizational structure
Amount	320	320	320
Kolmogorov-Smirnov z-statistics	1.401	1.218	1.303
Level of significance	0.59	0.21	0.71

Source: Authors' own research

According to the results of the one-sample t-test in Table 2, there is a significant difference between the current situation (sample mean) and the desired one (theoretical mean) in the components of attitudes, capabilities and competencies and in general human resource management. Therefore, considering the sample average and comparing it with the standard index (theoretical average), it can be said that the current situation is higher than the standard situation (theoretical average), as a result, it indicates that the level of human capital is high.

Table 2:
t-test results for human resources components, employee structure, and organizational structure

Variable	Data theoretical statistics			Amounts	Mean	SD	t	df	Significance
	Min	Max	Ave						
Employee performance	7	70	41.5	325	49.2	8.02	14.04	95	0.001
Staff structure	6	65	40.5	325	47.3	10.22	15.21	95	0.000
Organizational structure	8	75	43.1	325	50.01	10.98	17.43	95	0.000

Source: Authors' own research

According to Table 2, it can be seen that the significance level for all research variables is less than 0.05, so with 95% confidence, it can be said that there is a significant difference between the calculated average and the average of the questionnaire. According to the positive value of the t-statistic, it can be said that the current status of the discussed indicators is positive, or in other words, the current status of the subject under investigation is optimal.

In the next step, for the Halal food industry in Indonesia, the impact of human resources development and also the economic growth of the company is presented in Figures 2 and Figures 3.

Analyses show that since the beginning of 2015, with the growth of human resources development, the economic productivity of the company has grown significantly by 20%. This trend has continued until 2020 and with the emergence of the Corona epidemic and the disruption in the development of human resources, the company's productivity has also decreased significantly, until in the last year of 2024, it was able to partially compensate for the lag in growth. Elite should keep in mind that other factors can have an impact on economic productivity, but the change process of these two variables in this company is aligned.

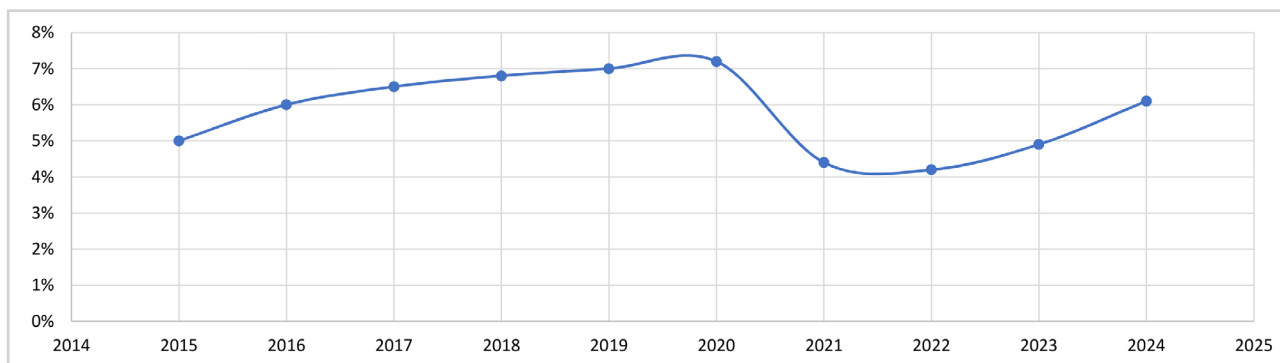


Figure 2:
Economic productivity rate
Source: Authors' own research

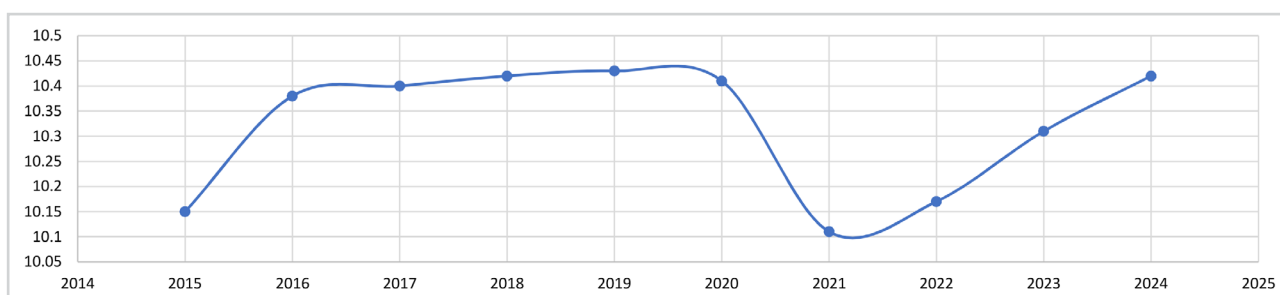


Figure 3:
Human resource development
Source: Authors' own research

4. Conclusion

In this research, the impact of human resource development on improving employee performance and productivity has been evaluated in Halal food industries. By examining the impact of human resource management on the performance of companies active in the field of halal food, and considering the fact that human resources are the most important asset and capital of any organization, the results showed that in order to maintain the dynamics of the system and the growing trend of companies, establishment and development Human resource management is essential. Today, organizations are no longer proud of their abundance of production, financial reserves, and increased human resources, but the growth of organizations is dependent on their knowledge, intelligent capital, and knowledge. The advancement of science and technology brings forth new knowledge that creates new needs for humans.

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