

LITERATURE REVIEW: THE ROLE OF EMPLOYEE DEVELOPMENT IN IMPROVING EMPLOYEE PERFORMANCE

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Abstract

To face the demands of the task and especially to answer the challenges of the future, employee development is an absolute must. With a good employee development program, the organization will have a more effective competitive strength and be able to compete positively in the global arena and be difficult to imitate by other organizations. This study aims to determine how employee development improves employee performance in an organization/company. This study uses an in-depth literature review method, where various sources of literature relevant to the research topic are collected and analyzed carefully. The results of the literature review show that Employee Development has a positive impact on improving employee performance. It can be concluded that employee development is relevant to be implemented by organizations or companies in order to improve employee skills, capabilities and productivity. The implications of this study include the importance of training and development programs with individual needs and company strategies.

Keywords : Employee Development, Employee Performance, Literature Review

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INTRODUCTION

In recent times, in the workplace, the nature of work has undergone unprecedented changes, driven by the emergence of new technologies or the increasing demand for non-traditional freelance arrangements (Retkowsky et al., 2023). Employees are now required to upgrade their skills and equipment to maintain their career goals and employability in an unstable labor market (Baruch and Sullivan, 2022). Employee development is becoming increasingly important in response to the constant pressures stemming from technological advances and skills shortages.

(Edgar Schein, 2010) explains that employee development is a form of learning opportunity designed to improve the capacity and productivity of individuals in an organization. Schein also emphasizes that investing in employee development is an important strategic step to improve the overall effectiveness of the organization. (Dessler 2020) To face the demands of the task and especially to answer the challenges of the

future, employee development is an absolute must. With a good employee development program, the organization will have more effective competitive strength and be able to compete positively in the global arena and will be difficult for other organizations to imitate.

The importance of developing knowledge and skills in improving employee capabilities. According to (Noe 2017), developing knowledge and skills is essential to improving employee capabilities and ensuring optimal performance in the organization. According to (Agustin & Safaria 2021), employee development is a structured and systematic process to improve employee competency to support the achievement of organizational goals. This development includes various methods such as training, coaching, and job rotation programs that allow employees to expand their knowledge and experience.

Employee development is carried out to improve employee professionalism and skills in carrying out tasks and functions optimally (Retnilasari et al. 2019). This development activity is carried out with the aim of preparing an employee to carry out different or higher responsibilities in a company. Development is related to the improvement of intellectual abilities needed by an employee to be able to carry out work well (Sulaefi, 2017). Based on the description that has been described, this study aims to determine how employee development improves employee performance in an organization/company.

RESEARCH METHODS

This research uses a literature review or library research method. A literature review provides an overview of the research to be conducted on a particular topic, showing the reader what is known and what is not unknown about the topic and provide an explanation of the validity of the research conducted. This study uses primary data obtained from magazines and past works, and secondary data collected through library research, namely data based on literature books (Al-Furqon, 2023).

Literature research is a critical process involving the search, evaluation, and analysis of existing literature in a field. (Aveyard 2020). Literature reviews help researchers to understand previous research and detect existing knowledge gaps, which are essential for formulating relevant research questions. (Snyder 2022) states that literature is a structured and systematic approach to collecting and analyzing information related to a topic. (Snyder 2022) emphasizes that literature reviews not only serve to summarize existing research but also help researchers to construct strong arguments and provide a theoretical basis for their research.

Based on the above criteria, the first step taken is planning by formulating research questions (RQ). Based on the research background described in the introduction, the research questions (RQ) are as follows:

RQ. 1 Does the role of employee development have an influence on improving performance employees in an organization/company?

RQ. 2 How does the role of employee development influence improving performance employees in an organization/company?

LITERATURE REVIEW

Employee development and performance are two closely related concepts in human resource management. Employee development focuses on improving employee skills, knowledge, and abilities to work more effectively and efficiently, while employee performance reflects how well a person carries out their duties and responsibilities to achieve organizational goals. The following literature review will discuss the main concepts related to employee development and performance, as well as the relationship between the two based on the views of various experts and research results.

A. Employee Development

Development is an effective way to address some of the challenges faced by many large organizations. These challenges include employee obsolescence, socio-technical changes and workforce turnover. The ability to address these challenges is a determining factor in the success of the personnel department in maintaining effective human resources (Handoko, 2008).

(Armstrong 2023) Employee development or HR development is a systematic approach to improving the skills and competencies of individuals working within an organization, with the aim of ensuring that they can meet job demands and adapt to changes in technology and the business environment. According to (Agustin & Safaria, 2021) Employee Development is a series of planned activities that have been designed by an organization to provide its members with the opportunity to learn the skills needed to meet current and future job requirements.

(TR Mitchell and JER Green 2023) Employee development is a strategic process aimed at improving employee competency through training, education, and practical experience, with a focus on meeting organizational needs and developing individual potential. (LA Brown 2023) Employee development is an activity designed to help individuals in an organization acquire new skills and enhance their abilities through a variety of learning and development methods. The goal is to support the achievement of organizational goals and employee career growth.

From the expert opinions above, we can conclude that employee development is an effort made by an organization to improve employee competence, knowledge, skills, and work attitudes in order to achieve better performance in supporting the achievement of organizational goals and employee career growth.

B. Scope of Employee Development

The scope of employee development in 2023 includes various important aspects related to improving employee capabilities, skills, and competencies in order to face the challenges of an increasingly dynamic world of work. Here are some Expert views on the scope of employee development in 2023 :

1. Technical Skills

(David A. Kolb 2023), employee development must include improving technical skills relevant to technological developments and innovation. This is important so that employees remain competitive in organizations that are increasingly influenced by automation and digitalization.

2. Social and Emotional Skills (Soft Skills)

(Daniel Goleman 2023) emphasizes the importance of social and emotional skills such as leadership, teamwork, communication and emotional intelligence. These Soft Skills are needed to help employees adapt to a work environment that is constantly changing and increasingly emphasizes cross-functional collaboration.

3. Leadership Development

(John Maxwell 2023), employee development at the leadership level is very crucial, considering the increasingly complex role of leadership, and requires high adaptability. Leadership development includes the ability to motivate teams, make strategic decisions, and lead with ethics.

4. Balance between Digital and Humanistic Skills

(Ravin Jesuthasan 2023) in his book on the future of work states that employee development today does not only focus on digital skills such as data analytics and machine learning, but also humanistic abilities that support creativity, innovation and empathy in the work environment.

5. Lifelong Learning

(Josh Bersin 2023) stated that the digital era requires employee development that focuses on continuous learning. This means that companies must encourage employees to continue learning through formal and informal training in order to face rapid changes in the industry.

6. Flexibility and Adaptability

(Herminia Ibarra 2023), flexibility and adaptability are important factors in employee development. This is related to the ability of employees to quickly adapt to changes in roles, organizational structures and increasingly dynamic work environments.

C. Employee Development Objectives

According to AG Smith and LR Walker (2023) The main purpose of employee development is to improve employee skills and knowledge so that they can be more effective in carrying out their current tasks and prepare them for future roles and responsibilities in the organization. Employee development aims to improve the performance of individuals ME Johnson (2023) and teams by providing relevant training and practical experience that supports the achievement of organizational goals. In addition, it also aims to increase employee job satisfaction and retention.

From the definition above, we can conclude that the objectives of employee development consist of :

1. Increase Organizational Productivity

Employee development can increase productivity by improving employee skills, knowledge and attitudes which directly impact employee performance through the development of technical skills

2. **Cultivating a Spirit of Leadership**
Development in managerial skills helps managers and leaders make better decisions, motivate teams, and manage resources more effectively. This can increase the productivity of the entire team due to better communication and more efficient project management
3. **Building Employee Morale**
Employee development programs often involve opportunities for learning and growth, which makes employees feel more engaged in their work. When employees see that the organization is investing in their development, they feel more valued and motivated to contribute more to the organization.
4. **Reducing the Work Accident Rate**
Employee development through training that focuses on occupational safety and health, knowledge of proper safety procedures, use of personal protective equipment (PPE), and how to deal with emergencies. Well-trained employees tend to be more careful and follow safety procedures, which can reduce the risk of accidents.
5. **Improve Service**
Employee development programs in the form of providing in-depth training on the products or services offered enable employees to provide accurate and useful information to customers. Good knowledge of the product improves employees' ability to answer questions and handle product-related issues.
6. **Increase employee motivation**
Employee development programs that offer clear career paths and opportunities for advancement help employees see their future within the organization. When employees feel there is an opportunity to grow and move up the ranks, they are more motivated to work hard and commit.
7. **Ensure everything runs efficiently**
Employee development programs in the form of providing training that focuses on specific skills for certain work processes help employees perform their tasks more quickly and accurately. With the right skills, employees can reduce the time it takes to complete a job and minimize errors.

D. Employee Development Strategy

Gary Dessler 2020, there are several employee development strategies among them are :

1. **Conduct Training Programs**
Training programs are the first strategy that can be done to develop employees. The purpose of this training program is to improve the ability of employees to complete the tasks and responsibilities that the company has given them. Training programs can increase company productivity and minimize product errors.
2. **Giving Awards**
Giving awards to employees is one of the HR development strategies. Giving awards can motivate other employees to be better and increase employee loyalty
3. **Placing Employees in the Right Jobs**

Placing employees in the right jobs according to their skills and abilities can improve employees' abilities and desires in carrying out career development.

4. Career Planning

Organizations should help employees plan their career paths within the company. This includes assessing employees' skills, interests, and career goals as well as providing opportunities for more challenging roles and professional development

5. Hold a Discussion Forum

The company can hold a discussion forum where every employee can pour out fresh ideas. Of course, you can use these ideas to develop the company. Discussion forums can also be a place for employees to get to know each other, both between employees and employees with superiors. It is hoped that with the discussion forum, the communication that occurs can run smoothly and even avoid miscommunication.

6. Improvement of Soft Skills

Dessler notes that in addition to technical skills, soft skills such as communication in the form of conveying ideas and information clearly, leadership in the form of decision making and conflict management as well as Teamwork in the form of collaboration and negotiation is essential for employee development.

7. Evaluation and Feedback

Dessler emphasizes the importance of regular performance evaluations and constructive feedback to identify areas for improvement and provide direction for further development. These evaluations should be conducted periodically to ensure employee progress.

E. Employee Development Methods

According to Dessler 2020, employee development methods include various approaches and techniques used by organizations to improve employee skills, knowledge, and competencies so that they can contribute better to achieving organizational goals. Here are some employee development methods outlined by Dessler, namely:

1. Training

Through this method, employees are expected to become more skilled in carrying out their duties. Training can be conducted internally or externally. Internal Training / On-The-Job-Training is a training method that involves direct training conducted in a real work environment. Employees learn while doing their jobs, gaining hands-on experience and practical application of the skills learned. External Training / Off-The-Job Training is training that includes various training programs conducted outside the work environment, such as seminars, courses, and workshops. This method is often used to develop technical skills or knowledge that cannot be obtained directly in the workplace

2. Coaching

Coaching is a method of employee development that focuses on providing direct guidance and direction to improve employee skills, competencies, and performance. Coaching is a process in which a supervisor or leader (coach) works with employees

(coachees) to help them develop specific skills, overcome challenges, and achieve their professional goals Dessler (2020).

3. Mentoring

Mentoring is a relationship focused on personal and professional development, where the mentor provides valuable support, guidance, and advice to help employees achieve their goals and grow in their careers. Mentoring helps employees develop the technical and soft skills needed to perform their duties. Mentors provide guidance and knowledge that focuses not only on practical skills, but also on interpersonal and leadership abilities.

4. Leadership development

Dessler (2020) also emphasized the importance of leadership development for employees, especially for those identified as having the potential to become future leaders. Leadership development programs are designed to train aspiring leaders and managers in leadership, decision-making, and team management skills. This often involves specialized training, leadership projects, and practical experience.

5. Academic Courses and Certification

Companies can support employees to take academic courses or obtain professional certifications relevant to their work. This helps in the development of specific technical skills and enhances professional credibility.

6. Job Rotation

The rotation method provides an opportunity for employees to experience a variety of jobs as well as to find out which division the employee is suitable to be placed in. When an employee is not suitable in a division, but in another division the results are optimal, then a transfer can be considered. In addition to finding a suitable place for the employee, rotation also functions to fill the vacancies of other employees who are on leave, sudden permission or resigning. The company will not panic when these things happen. With the rotation method, employees will find a work passion that may be more suitable for them. And the impact will be good of course on their performance

7. Simulation and Role Playing

Simulation and role-playing are effective methods of Employee development because they allow participants to practice skills in situations that are similar to real-life situations without real risk. For example, Employees practice negotiation with simulations that feature potential customers and sales challenges. Scenarios might include haggling over price or tailoring an offer to the customer's needs.

8. Self Directed Learning Program

Self-directed learning (SDL) programs allow individuals to organize and control their own learning process. Employee development methods must be tailored to the needs of the individual and the organization. A combination of training, coaching, mentoring, leadership programs, academic courses, rotations, simulated role-playing

and self-directed learning can have a significant impact on improving employee competence and performance.

1.1 Employee Performance

Employee performance is one of the key factors in achieving organizational goals. In recent years, the concept of employee performance has undergone many developments along with the dynamics of the world of work influenced by globalization, digitalization and changes in the work environment.

According to (Armstrong 2023) employee performance is a combination of individual work results that are in accordance with standards set by the organization. This performance is assessed from various aspects such as work quality, time effectiveness, and achievement of organizational goals. (Mathis and Jackson 2023), employee performance is a reflection of how well employees carry out their duties based on three main elements: (1) employee skills and knowledge, (2) motivation, and (3) work environment. These elements contribute directly to employee productivity and effectiveness in achieving predetermined targets.

(Johnson 2023), employee performance is a result measured based on productivity, quality of work, time efficiency, and contribution to organizational goals. Performance appraisals usually cover a variety of indicators, including target achievement, problem-solving ability, and initiative and innovation in work.

From the expert opinions above, we can conclude that employee performance can be defined as the achievement of tasks and responsibilities based on productivity, quality of work, and efficiency of time used by employees in accordance with the standards set by the organization.

1.1.1 Employee Performance Scope

The scope of employee performance includes various aspects that affect how employees carry out their duties and responsibilities in the workplace. (Dessler 2020) conveyed several elements that can be considered in the scope of employee performance, namely motivation, job satisfaction, and skills development. All of these elements influence each other and contribute to the overall performance of employees.

Meanwhile, according to Armstrong (2020) In his book "Armstrong's Handbook of Human Resource Management Practice," he discusses various aspects of employee performance, including discipline, cooperation, and self-development. He emphasized the importance of focusing performance appraisals on measurable results and their impact on organizational goals. Meanwhile, (Taylor et.al 2017) In the book "Human Resource Management," these authors explain that employee performance includes aspects of quality, quantity, discipline, and motivation. They state the importance of creating a supportive work envirol to achieve optimal performance.

RESULTS AND DISCUSSION

RQ. 1 Does the role of employee development have an influence on improving performance employees in an organization/company?

Employee development is a process designed to improve the skills, knowledge, and abilities of employees in an organization. With the increasingly complex work environment and evolving competency demands, it is important to evaluate how employee development can contribute to improving employee performance within the organization.

Employee performance includes various aspects such as fulfilling assigned responsibilities, target compliance, competence, and achieving organizational goals efficiently. The quality of service provided by an organization is directly related to the behavior of its staff, which is influenced by the quality and consistency of training and development and performance management practices (Alnawfleh, 2020). Employee development through training and courses has been shown to improve employee skills and knowledge. Research shows that employees who participate in development programs tend to perform better than those who do not participate in such programs (Dessler, 2020). Good employee development programs also contribute to increased motivation and job satisfaction. Employees who feel that the organization cares about their career development tend to be more engaged and motivated to give their best performance (Roberts & Dutton, 2009).

Organizations that invest in employee development tend to experience higher employee retention rates. This is due to an increased sense of commitment from employees to the organization, as well as a perception that they have opportunities for career growth (Armstrong, 2020). Employee development also impacts team performance. When employees have good skills and knowledge, they can collaborate more effectively in achieving organizational goals, which in turn improves overall team performance (Dessler, 2020). Employee development serves as a foundation for improving employee performance. Through training and learning opportunities, employees can update their job-relevant skills. This helps them to be better prepared for the challenges and demands of the ever-changing job. When organizations provide opportunities for employees to develop, they feel valued and recognized. This creates a supportive environment that increases employee motivation and commitment to the organization.

RQ.2 How does the role of employee development influence improving employee performance in an organization/company?

Dessler (2020) In his book *Human Resource Management*, Dessler emphasizes that employee development helps in improving job-relevant skills and knowledge. He argues that employees with better skills will be able to perform their tasks more efficiently and effectively, which in turn improves the overall performance of the organization.

Noe (2020) in his book *Employee Training and Development* argues that employee development not only improves technical skills but also interpersonal skills. These skills are essential for improving the effectiveness of communication, collaboration, and teamwork, all of which contribute to improving employee performance.

Latham and Locke (2007) show that clear and specific goals, which are often part of employee development programs, can increase employee motivation. When employees have clear goals, they tend to work harder to achieve them, which in turn improves performance.

CONCLUSION

Based on the results of the discussion, it can be concluded that employee development has an important role in improving employee performance in an organization or company. Investment in employee skills and knowledge not only contributes to individual performance, but also to the performance of the team and the organization as a whole. A well-designed development program will increase employee motivation, job satisfaction, and retention, as well as create a more productive work environment.

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