

# Human Resources: Employees' perspective of Employee Potential Utilization and Corporate Training

Arjun Dattaraju

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**Abstract-** There are 3 main objectives of this research paper. First, to provide an accurate and an indepth understanding of employees' perspective of how effective the organization is at utilizing its employee potential. The research tries to capture the perspective of 3 categories of participants, i.e. employees with work experience less than two years categorized as freshers, interns with an internship experience of at least 3 months and employees with work experience of more than 2 years. Second, to capture the employees' perspective on the role of Corporate Training in achieving employee potential and the necessary improvements that can improve corporate training effectiveness. Third, to propose a tangible solution designed by a synergy of tested approaches that can help organizations to maximize the utilization of employee potential and achieve better performance.

**Index Terms-** Effectiveness, Efficiency, Employee Potential, High Performance, Human Resource Management, Performance Management

## I. INTRODUCTION

While technology, today, is disrupting processes and change across the organizations, human resource is at the core of every organization driving this change. Human Resources, also referred to as human capital/workforce/personnel are the people who make the business processes across organizations possible and Human Resource Management or HRM is the process of managing the Human Resources or personnel pool of an organization to achieve the strategic goals of the organization. Human Resource Management is defined as the process of acquiring, training, appraising, and compensating employees, and of attending to their labour relations, health and safety and fairness concerns<sup>[1]</sup> and is typically made of activities that involve Strategy and Legal Compliance, Recruitment, Selection and Onboarding, Training and Development, Performance Management, Compensation and Rewards, Employee Relations.<sup>[2]</sup>

Performance management is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the strategic goals of the organization. So performance management is a key tool to transform people's talent and motivation into a strategic business advantage.<sup>[3]</sup> In other words, Performance Management is simply to keep track of how well your employee is doing his/her job, in what way can his/her work performance be improved, what are

his strengths and weakness and how to act upon them towards achieving organizational goals. The end goal of Performance Management is to tap into an employee's potential to achieve high performance aligned towards organizational strategic goals for better profits. An efficient Performance Management System aligns the goals of employees to the overall organization strategy, it addresses the weaknesses of employees and at the same time acts on their strengths. It is like clockwork with a complicated series of wheels(employees), gears(process), and levers (managers and leaders) all working in perfect harmony to display the correct time(achieve strategic goals and run the organization).

A well-defined Performance Management System also addresses multiple objectives, such as *Strategic objectives* by linking employee goals to organizational strategy, *Administrative objectives* in administrative decisions such as promotions, retentions, terminations, *Informational Objectives* in communicating employee strengths and weaknesses, *Developmental objectives* to shape career paths and meet expectations, *Organizational Maintenance objectives* in workforce planning and talent inventory, and *Documentation objectives* to document critical information such as critical incidents etc.<sup>[4]</sup>

Often, the performance of employees is managed in terms of their competencies in organizations. Competency, in simple terms, is the skills required by an employee to efficiently and effectively perform his/her job. Organizations use employee competency to measure his/her performance, which also acts as the driver for classifying employees as high performers and low performers. In other words, competency is an organization's perspective or tool of determining who amongst the employees is a high performer and who is not. While competency of an employee determines the skillset required to complete a task effectively, it fails to take into account an employee's potential or his/her perspective of the effective utilization of this potential by the organization to develop competency towards high performance.

In this research, the first objective attempts to capture an employee's perspective of how successful an organization utilizes his/her potential to be a high performer.

The second objective of the research highlights the employee's perspective on the effectiveness of corporate training towards achieving better job performance and ways of improving corporate training. Corporate Training or workplace learning is the process of improving employees' Knowledge, Skills and Abilities by providing them with the necessary training and resources. There are multiple objectives that Corporate training

can help achieve, such as, addressing skill gaps, learning new technologies, behavioral coaching for leadership skills, compliance training for legal awareness, etc. Corporate training is a system of activities designed to educate employees. While it helps employers, it is also beneficial for employees as it helps them obtain and hone knowledge and skills to progress professionally and personally.<sup>[5]</sup> Corporate Training is most effective when delivered to employees in the format that they find most effective. There are several formats in which it can be delivered, such as, Instructor-led training, eLearning, Simulation employee training, Hands-on training, Coaching or mentoring, Classroom Lectures, Group discussion and activities, case studies, On the Job Learning, etc.<sup>[6]</sup>

## II. LITERATURE REVIEW

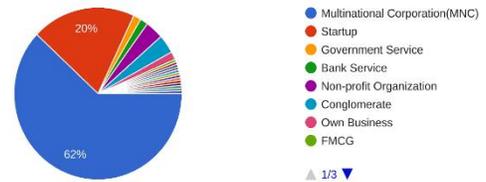
Employee Potential is the ability of an Employee to contribute to the organization in one or multiple roles most efficiently and effectively possible. The term "Potential" is used to suggest that an individual has the qualities (e.g. characteristics, motivation, skills, abilities, experiences etc.) to effectively perform and contribute in broader or different roles in the organization.<sup>[7]</sup> An employee's potential in an organization often correlates to the overall Performance an employee exhibits in his/her work. Typically, Employee Performance is a subjective metric that measures how well an employee completes the tasks assigned to him/her. The term "employee performance" signifies an individual's work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaging profile, and compassionate colleagues/employers around.<sup>[8]</sup> Employees with better efficiency and effectiveness of work exhibit higher performance. In simple terms, higher the employee potential, better is the performance. This translates to define Employee Potential as the sum of efficiency and the effectiveness an employee exhibits in achieving their task. Often, effectiveness and efficiency are used interchangeably. However,

it is to note that they are distinct and differ by a great margin. To be effective in one's work is to pursue the right goals or be assigned the right tasks by an employer. From an organization's perspective, to be effective is to have the right job fit for an employee. Whereas, efficiency is completing a task with the minimal waste of time, effort and resources. In other words, efficiency is to be highly productive in the task completion process. Performing the right task with maximum productivity produces maximum performance. While organizations strive to achieve maximum performance in their employees, it often fails to take into account an employee's Performance i.e. the effective and efficient way of utilizing his/her potential from an employee's perspective. It is only when an employer's expectations meet an employees' perspective of his/her abilities to achieve maximum performance that an organization is successful in tapping into an employee's total potential. The following research data is collected from 200 working professionals with internship experience, work experience less than 2 years classified as freshers and those with work experience greater than 2 years to support the claim. This research is based on primary data collected from 200 participants who have worked across different professional domains or sectors categorized by their respective work experiences as participants with an internship experience of at least 3 months, professionals with a work experience of at least 2 years categorized as freshers and professionals with more than 2 years of work experience. The primary objective of the data collected is to shed light on the perspectives of employees of how the organization has utilized their potentials to work, the effectiveness of corporate training and ways to improve its effectiveness and how the utilization of employee potential can be made more efficient and effective.

## III. RESEARCH FINDING

Following details the research finding from the survey conducted with 200 participants. The work experience distribution of the participants stands at 55.5% of respondents having work experience of more than 2 years followed by 31% of participants being freshers (refer Figure 1). With most of the respondents, 62% are from a Multinational Corporation (MNC) followed by 20% respondents from Start-ups; the survey collates data from participants of Government service, Bank, Non-profit Organization, FMCG, Conglomerate and own business (refer Figure 2). With 76% of the participants informed of what it meant to be a high performer, a near 1/4th, 24%, of the total respondents were not aware of the standards that define high performance at their respective workplace (refer Figure 3). Employee efficiency is defined as doing maximum work with the least waste of time and effort. Often, organizations quantify employee efficiency and effectiveness for performance appraisals, however, it is necessary to understand an employee's view of an organization's ability to utilize his/her potential efficiently and effectively. Efficiency from an employee's perspective of his/her organization is the ability of the organization to use his/her potential to work with the least waste of time and effort. Effectiveness from an employee's perspective of his/her organization is the ability of the organization to use his/her potential to work with the right goals and milestones ensuring a perfect or a near-perfect job fit. While 68.5% of the respondents feel that their potential was efficiently utilized by their organizations, a staggering 31.5% of the employees feel that their potential was not efficiently utilized. The statistics for the employee's perspective of his/her organization to utilize his/her potential effectively stands at 60.5% to 39.5%, with a staggering 39.5% of the respondents feeling that their potential was not effectively utilized by their respective organizations. The research survey addresses the ways to improve the efficient and effective utilization of employee potential by an organization from an employee's perspective. Of the 200 respondents, 120 of the respondents find Recognition and Appreciation of work the primary driver to improve the efficient utilization of the potential of employees by an organization, followed by 112 respondents who find clear and focused goal setting as the next best approach. Figure 5 gives a clear understanding of the respondents' perspective of what helps to improve the efficient utilization of employee potential from an employee's perspective. Of the 200 respondents, 107 of the respondents find keeping goals clear and focused the primary driver to improve the effective utilization of employee potential by an organization, followed by 99 of the respondents who find that communicating the big picture or the strategic implication of their work the next best approach. Figure 6 gives a clear understanding of what improves the effective utilization of an employee's potential from an employee's perspective. The second part of the survey data emphasizes the importance of corporate training to effective job performance and the ways to improve corporate training by organizations. On a scale of 1 to 5, with 1 being minimum implying that corporate training has no effect on job performance and 5 being maximum implying that corporate training plays a significant role in employee's performance, 102 of the respondents rate the effectiveness of corporate training on job performance with a 4 and 55 of the respondents rate it with a maximum score of 5 while only 3 believe that corporate training does not affect job

I work in a  
200 responses



performance. 137 of the respondents find the feedback system in corporate training to understand Employee requirements the primary driver to improve corporate training, very closely followed by 133 of the respondents who have responded corporate training is effective when it translates to actual work right away.

#### IV. RESEARCH FINDING CONCLUSION

From the research findings, defining High Performance and the standards that define High Performance of a particular role plays an important role in effective employee performance. The efficient utilization of employee potential by an organization is driven by the proper recognition of work and achievements and set clear and focused goals which help employees to achieve high performance. The effective utilization of employee potential which translates to the right job fit is primarily driven by Clear and Focused goal setting followed by the effective communication of the bigger picture or the role that one's job plays in the overall organization strategy. Also, corporate training plays a dominant role in achieving better job performance with corporate training followed by employee feedback catering to the employee requirements and training that translates into actual work right away being some of the ways to best improve corporate training.

I have:  
200 responses



Figure 1: Respondents distribution

Figure 2: Respondents workplace distribution

I was made aware of what it means TO BE a HIGH PERFORMER from the get-go in my line of work  
200 responses

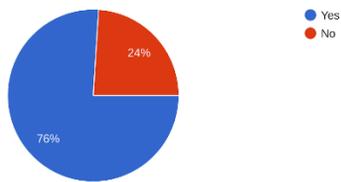


Figure 3: High-Performance Awareness

"EFFICIENCY" means to perform in the best possible manner with the LEAST WASTE of TIME and EFFORT and be productive. The organization I work for has efficiently utilized my potential to work?  
200 responses

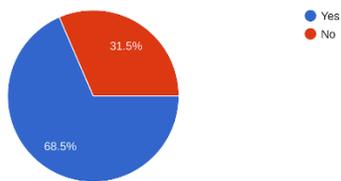


Figure 4: Efficient Potential Utilization

The organization I work for can improve upon efficiently utilizing my potential to work by:

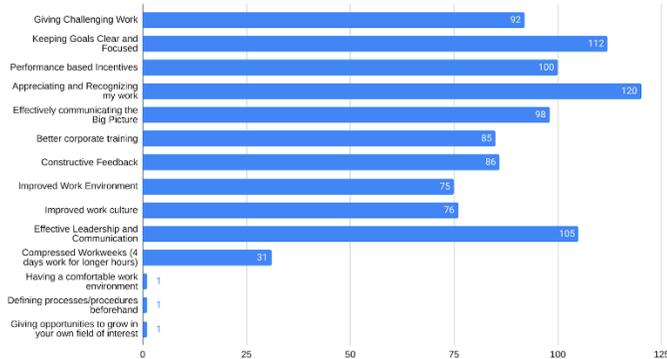


Figure 5: Improving the Efficient Utilization of Potential

"EFFECTIVELY" means DOING the RIGHT THING or being assigned the RIGHT GOALS to have the perfect job fit. The organization I work for has effectively utilized my potential to work?  
200 responses

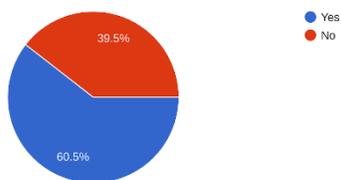


Figure 6: Effective Potential Utilization

The organization I work for can improve upon effectively utilizing my potential to work by:

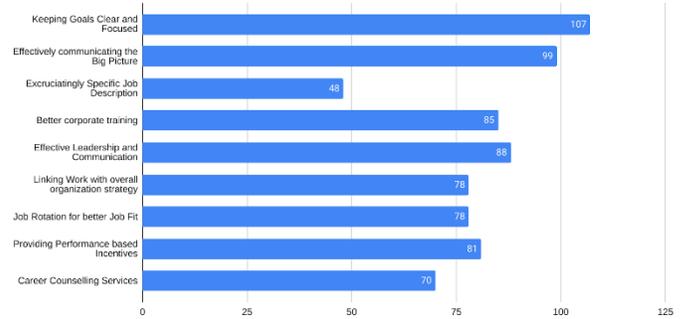


Figure 7: Improving the Effective Utilization of Potential

The effectiveness of Corporate Training in achieving a better Job performance (WORK MORE EFFICIENTLY & EFFECTIVELY) is:  
200 responses

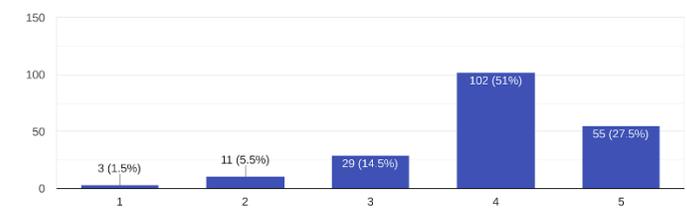


Figure 8: Effectiveness of Corporate Training

Characteristics that can make Corporate Training more effective:

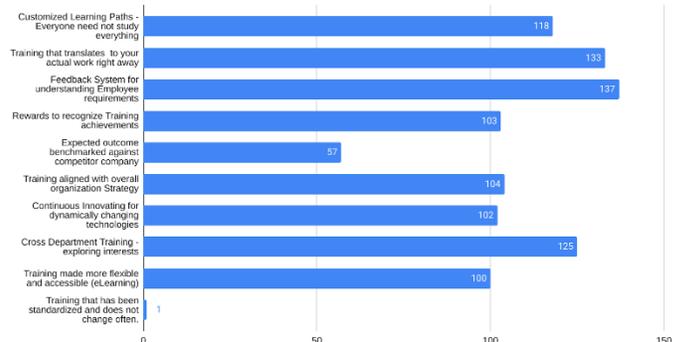


Figure 9: Characteristics of Effective Corporate Training

## V. PROPOSED SOLUTION

The proposed solution is a synergy of tested approaches from different organizations and their successful approaches. Necessary references to the source of proposed solutions are specified wherever necessary. For understandability, the proposed solutions are structured into the different dimensions of Human Resource Management as HR Strategy, Recruitment and Selection, Training and Development, Performance Management, Employee Compensation and Benefits and Employee Engagement.

### 1. HR Strategy

Define High performance: Employees should be aware of what it means to be a high performer to achieve high performance. (research data)

**Stakeholder Communication: Link Strategy to performance and communicate strategy.** Stakeholders must be aware of the overall organizational strategy from the initial stage of Human Resource Planning.<sup>[9]</sup> (*Strategic Planning for Dummies*)

**Strategic Goal Setting:** Goal setting at individual, team, department and organizational level to link goals to overall organizational strategy.

## 2. Recruitment and Selection

**Toyota Way of Hiring:** The Toyota way of hiring is an extensive way of recruiting employees which lasts up to 12 hours at times. The process includes a 2-5hr computer assessment followed by a 6-8hr work simulation following which the candidate will undergo F2F interviews. The extensive process ensures that only candidates with a perfect or nearly perfect job fit are recruited.

**Methodical Hiring Process: Design Job Descriptions** that are excruciatingly specific. Objective design of JDs will quantify the tasks an employee needs to perform to achieve high performance.<sup>[10]</sup>

## 3. Training and Development

**Robust Feedback System:** Based on the research data collated, Corporate Training with a constructive feedback system that caters to Employee Requirements alongside Business requirements.

**Trained to Work:** Based on the research data collated, corporate training should be translatable to actual work post-corporate training completion ensuring that the Knowledge, skills and abilities (KSAs) gained from training will have the maximum impact on employee potential.

**Culture of Learning:** 94% of the employees say they'd stay longer in companies as per LinkedIn Workplace Learning Report 2020. Learning and Development is a motivator to employees towards better performance and effective potential utilization. Create a culture of learning.<sup>[11]</sup>

**Personalized Learning:** Based on the research data collated, a personalized learning experience ensures the effectiveness of Corporate Training. As per LinkedIn Workplace Learning Report 2020, 80% of Gen-Z, 79% of Millennials, 78% of Gen-X and 77% of Baby boomers of the total surveyed opt for personalized learning recommendations for their respective career growths.<sup>[11]</sup>

## 4. Performance Management

**Dynamic Work Recognition:** Based on the research data collated, a dynamic system for employee work recognition and appreciation can ensure the efficient utilization of employee potential.

**Expect More:** Google's approach to effective employee potential is to expect more. When more is expected from employees, employees are motivated to give it their maximum effort.<sup>[10]</sup>

**Reserve Budget:** Effective utilization of employee potential comes with the correct job fit. Ensure a reserved budget to accommodate job rotation to get the best job fit.<sup>[10]</sup>

**High Power Microscope:** High performers under a microscope to understand how high performance is achieved. High performer best practices can then be implemented across the organization.<sup>[10]</sup>

**Clear and Focused Goals:** Based on the research data collated, clear and focused goals can ensure employees achieve maximum performance with little or no ambiguity in tasks performed.

**Strategically Relevant:** Each employee receives one or more strategically relevant objectives for the upcoming year. Measure the potential of employees based on strategically important objectives and their completion. Performance appraisal of employees based on strategically relevant goals will ensure the potential utilization of employees towards organizational strategy.<sup>[12]</sup>

**The Why:** From Simon Sinek's model for high performance, employees driven by a cause rather than consequences of the cause fruition are motivated towards high performance.<sup>[13]</sup> For instance, at Google, Googlers meet the people they help with the projects they work on.<sup>[10]</sup>

## 5. Employee Compensation

**Unfair Pay:** Pay high performers unfairly. Unfair pay to high performers motivates maximum potential utilization.

**Netflix Compensations:** A competitive pay plan strategy, following the Netflix approach, with Internal Analysis and External Analysis (Competitor Market analysis) aligning pay with Silicon Valley competitors ensures above market standards pay and motivates high performance.<sup>[12]</sup>

**Strategically Linked:** Following the strategically relevant goal setting in Performance Management, link strategic goals with pay to motivate employees towards high performance in achieving goals of strategic importance.<sup>[12]</sup>

**Free-rider effect:** Avoid the free-rider effect with individual incentives included as part of group incentives to ensure high performers do not resign due to unfair pay.

## 6. Employee Engagement

**Scanlon and Rucker plan:** Scanlon plan is a gain-sharing approach based on employee engagement. Employees will exercise self-direction and self-control if they are committed to company objectives and will accept and seek out responsibility given the opportunity. Employees share the profit based on performance. Rucker Plan is similar to the Scanlon plan but measures productivity in terms of value-added.<sup>[14]</sup>

**Employee Recognition Systems:** Based on the research data collated, employee recognition is at the forefront of achieving high performance and maximizing employee potential utilization. Google's gThanks and outstanding performance awards<sup>[10]</sup>, "Thank you Cards" as part of KIA motors employee engagement strategy are a few industrial best practices.<sup>[12]</sup>

**Hogan Development Survey:** HDS can be used to find critical blind spots that affect or interfere with the high performance of employees. HDS can be used to identify the negative traits of employees that can affect their careers. Hogan Development surveying can help address such traits and prevent performance derailment.<sup>[15]</sup>

HR Dimensions					
HR Strategy	Recruitment & Selection	Training & Development	Performance Management	Employee Compensation & Benefits	Employee Engagement
Define High Performance	Toyota Way of Hiring	Robust Feedback System	Dynamic Work Recognition	Unfair Pay	Scanlon and Rucker Plan
Stakeholder Communication	Hiring Methodical	Culture of Learning	Expect More	Performance-Based Pay	Employee Recognition Systems
Strategic Goal Setting		Personalized Learning	Reserve Budget	Netflix Compensations	Hogan Development Survey
			High Power Microscope	Strategically Linked	
			Clear and Focused Goals	Free-Rider Effect	
			Strategically Relevant		
			The Why		

Figure 10: Proposed Solution

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AUTHORS

**First Author** – Arjun Dattaraju, MBA-HRM(2020-22), arjunsharma7195@gmail.com.