

# Defining Performance in HR: A Literature Review Mapping the History and Future Direction of HRD

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## Abstract

*The role of human resources is evolving from being employer-centered to making employees the focal point of institutional strategies, primarily for competitive readiness. In reviewing theoretical, empirical, and practitioner literature, four recurring themes emerge as critical components of human resource development (HRD): technology, systems thinking, employee care, and strategic partnerships. After a comparative analysis of the HRD mission within each of these components, it is apparent that the functional role of human resource management (HRM) is gradually metamorphizing entities into high-performance organizations (HPOs) that are assessed by objectives and key results (OKR) metrics. This transformation creates the need to understand better what is meant by the term performance within the context of HRD. This literature review, coupled with the benefits of technological advancements in HRM, has allowed for a new understanding of future HR activities to emphasize workplace flexibility, employee care, and employee-driven environmental, social, and governance (ESG) efforts.*

**Keywords:** human resource development (HRD), high-performance organization (HPO), strategic management, performance

## Introduction

*Do you want to play in this always-changing and at times unclear future (Ulrich, 1997)?* Over two decades have passed since Ulrich (1997) posed this question, and the business world continues to operate as an unpredictable and dynamic entity in an often-changing, global market (Schroeder et al., 2021). When employees are being classified as either essential or non-essential workers, understanding the importance of human resources and developing employees is more critical than ever. The concept of human resources has undergone constant cycles of revolution and reinvention since its inception in the early 20th century; based on the constant advancement in technology and new business philosophies, the work of HR will never be complete (Jones, 2015; Reed, 2017).

Over the past century, the field of human resources has taken on a broad spectrum of functions and used names like employment management, industrial relations, the personnel department, human resource management (HRM), people management, and human capital management (Afiouni, 2013; Kaufman, 1999; Patterson et al., 1997; Reed, 2017). Additionally, within human resources exists the focus of people development. Scholars state that organizational development is firmly rooted in the concept of human resource development (HRD) (Gilley, Eggland, & Gilley, 2009; Reed, 2017; Ruona & Gibson, 2004). This topic's practical and theoretical importance cannot be understated as the integration of HRD in the workplace has the most significant potential influence to create actual change within an organization (Thoman & Lloyd, 2018). As employee management has matured, the sphere of influence has ranged from a support department to a strategic business partner and driver of success (Cascio, 2005; Reed, 2017). These significant changes were not an overnight process but a long and intentional metamorphosis that will continue to provide organizational and employee benefit in an upward trajectory.

Academics and practitioners of HRM must understand why and how this field is evolving, and more so where it is headed. This working knowledge will aid leaders in implementing strategies that can create both current and future successes. On a fundamental level, conventional HR practices such as staffing, professional development, performance management, compensation and benefits, regulation, and employee relations will continue to exist. However, these HR functions have become the grounds for HR operations, with new practices regularly evolving (Ulrich, 1997). The constant evolution of HR principles is the focal point of this study. Through a review of the extant literature derived from seminal studies and teaching/practitioner-focused journals, this paper explores three different insights that have and continue to shape the development of HR: (1) an abridged history of HRM, (2) an examination of HRM today, and (3) an outlook for human resources as it continues its transformation. Furthermore, this paper provides additional insight into how HRD can aid the creation of high-performance organizations (HPOs). It also redefines the term *performance* in HRM. The outcome of this investigation illustrates how HR evolution viewed through the lens of employee performance is critical for future organizational success (Reed, 2017; Ulrich, 1997). This review includes only the history of employee relations in the United States as its scope of reference.

### **Literature Review: A Brief History of Human Resources**

Many scholars agree that the concept of human resource management was derived from the post-industrial revolutionary period that emerged shortly after World War I; a time when organizations quickly began adopting the need for employment management departments to handle the problems of labor unrest (Gilley et al., 2009; Kaufman, 1999; Northouse, 2018). Labor unions created managerial problems for companies, and thus personnel management became an essential role that companies needed to operate, as employee strikes and a lack of productivity negatively impacted businesses (Gilley et al., 2009; Northouse, 2018). At its inception, the focal nature of HR was to aid in file maintenance and adherence to compliance requirements (Cascio, 2005; Reed, 2017). According to Kaufman (1999), these personnel departments (as they were known) acted as the employer's responsibility to satisfy labor demands while acting in a support capacity only handling payroll, hiring, and required administrative tasks. Keep in mind that the labor laws affecting the way businesses recruit, hire, and maintain employees today were non-

existent, causing wide disparities in how these departments functioned from organization to organization (Kaufman, 1999).

In the early 1930s, a shift in the attitudes of both practitioners and scholars emerged. This shift is attributed to the findings of Elton Mayo in his 1933 Hawthorne Studies, often regarded as the seminal study of the HR components relating to industrial relations in the early 20th century (Brannigan & Zwerman, 2001). Mayo's discovery was revolutionary in that his groundbreaking findings focused on the causes and ramifications of employee motivation in the workplace, including environmental, social, and behavioral aspects (Brannigan & Zwerman, 2001; Northouse, 2018). Employers could now understand, at least on a rudimentary level, some of the factors that could improve the employee condition, increase productivity, and ultimately impact the bottom line. For the next thirty years, personnel departments sustained their role as experts in file maintenance with little change until the beginning of the American Civil Rights movement. The enactment of new legislation changed the game and completely reinvented the role of human resources (Gilley et al., 2009; Reed, 2017).

The Civil Rights Act of 1964 created regulatory anti-discrimination labor laws that required all organizations to adhere to nationalized labor standards and ushered in the government accountability era of HRM (Cascio, 2005; Gilley et al., 2009; Reed, 2017). Rather than human resources being understood as an employer-initiated response to personnel management, the sphere of HR responsibilities was now governmentally mandated, and strict compliance with the law was expected/required. Governmental requirements affecting labor relations were not a singular event, and over the next fifty years, new laws, rules, and guidelines were created, forcing employers to comply (Cascio, 2005; Gilley et al., 2009; Reed, 2017).

In the late 1980s and early 1990s, new trends emerged, reinventing how HRM tasks were completed. Once thought of as purely file maintenance, HRM tasks evolved out of legal compliance with the Civil Rights Act (Cascio, 2005). Additionally, internal strategic partnerships were formed to understand key drivers of individual, team, and department performance. Management by measurement became a key contributor to organizational success financially and improved employee retention. This era also changed the course and direction of organizational attitudes toward employee management (Gilley et al., 2009; Reed, 2017). The advent of internet technologies, changing demographics, and the rise of globalization all challenged the way that companies viewed their employees, and new human-centric thinking began to take hold (Jones, 2015; Kaufman, 1999), as employers now began to view their employees not just as an expense, but as a competitive advantage (Ruona & Gibson, 2004).

The early 1990s became dominated by the fad of business process reengineering (BPR) efforts, where many firms were slashing their workforces to save money (Hammer & Champy, 1993). Many CEOs and business managers were calling for efficiency and cost-cutting measures. Leaders in human resource management soon realized that "human capital" was an area of utmost importance to the competitive survival of a firm (Hammer & Champy, 1993). Even with this realization, many of the core tenants of the HR field have remained the same over time, including the management of employment, staff functions within the organization, and traditional personnel activities (compensation and benefits administration, job training, maintaining labor relations, etc.) (Kaufman, 1999; Reed, 2017).

Further research and employee focus have molded the understanding of modern-day human resources. This term, HR, no longer signifies the simple administration of tasks, but human resources have grown to mean the valued people an organization employs are infinitely more important than any other physical or financial resource (Gilley & Maycunich, 2000; Reed, 2017). According to SHRM (2018), human capital often represents 70% to 80% of an organization's total capital. One area that has seen the most change is the HR administrative function (Reed, 2017). Due to technological advancements, many cost-saving functions that HR professionals traditionally completed can now be performed by human resource information systems (HRISs) and applicant tracking systems (ATSs), and related technology systems (Reed, 2017).

### **The Current State of HRD**

The paradigm shift from an employer focus to a regulatory adherence focus, to an employee-centric focus, and now to employee sustainability have contributed to the evolution from personnel management to human resource development (HRD). The purpose of HRD is to offer individualized professional development, team development, and organizational performance management systems (Gilley et al., 2009). Additionally, HRD should lead to organizational development designed to improve current and future job performance, enhance organizational performance, and enhance human capital development. This holistic transformation of human resources to an HRD focus seeks to create an employee-focused environment that allows for organizational effectiveness through increased competitive readiness, renewed capacity, and a rise in profitability (Gilley et al., 2009; Reed, 2017).

Modern HRD is not focusing on only one aspect of an organization but instead is creating an employee-driven strategy that aids in overall organizational success (Reed, 2017) achieved through enhanced employee performance. Modern HRD has a strong relationship with an organization's Environmental, Social, and Governance (ESG) strategy. An essential factor for ESG and HRD is how an organization engages with its workforce (Weybrecht, 2014). These initiatives incorporate a broad effort of operational tasks to incorporate inclusion, advocate for diversity and racial equality, and promote strong mental health and well-being (Delves & Resch, 2019). Shareholders have begun to hold organizations accountable for their commitment to ESG and Corporate Social Responsibility efforts (Nekhill et al., 2021).

In practice, many business leaders latched on to the idea of an employee-centric mantra using flexible work schedules, work-from-home options, and popular employee stock option programs (Gilley, et al., 2009; Reed, 2017). The cycles of constant evolution have allowed HR managers to find new ways of retaining and motivating talented individuals within an organization while still adhering to governmental regulations and fulfilling much of the administrative associated with their positions (Reed, 2017).

The latest models of HRD have allowed researchers the ability to theorize new ways of maximizing the employee condition while increasing organizational results in hopes of transforming into a high-performance organization (HPO) (High Performance Organization Center, 2020) through employee empowerment and commitment rather than through managerial control (Jiang & Liu, 2015). Organizational culture has been shown to be a key driver within the most successful organizations and a source of sustainable competitive advantage (Muratović,

2013). The concept of organizational encouragement has been referenced significantly in literature and strongly contributes to increased creativity and innovation (Angle, 2000; Kanter, 1983; Laird, 2005). Central to the theme of creating a high-performance organization is the concept of idea generation, risk-taking, collaboration, and open communication (Levine, 2006). These concepts have become an extension of HRD.

Recurring themes describing the state of HRD in the modern business world include the need for business leaders to embrace technology, emphasize employee care, focus on integrated systems management, and provide flexibility for human resources professionals to act as functional and strategic partners (High Performance Organization Center, 2020; Bing, Guimei, Xiaolang, & Lassleben, 2020). An organization's staffing strategy uniquely comprises employee recruitment, sourcing, retention, and selection, all working together to support the overall business strategy (Bear, 2017). When working symbiotically with one another, these themes generate a rich understanding and framework of organizational performance.

### ***Technology***

With global connectivity in business, technology has rapidly changed how HR leaders operate. With technological integration and outsourced tasks such as benefits administration, payroll, and timekeeping, the innovative use of technology can still empower employees. Technology adds value for employees to become active participants in the organization's mission to realize organizational goals (Jones, 2015). Employees across the globe can now telework (Reed, 2017); participate in their workstations without ever changing out of their pajamas or leaving their homes. These flexible work environments have been evidenced in practice by COVID-19 precautions that forced employers to quickly shift millions of employees to home offices to complete their organizational tasks and responsibilities. This directive allowing employees to work remotely has shown tremendous success, and many business leaders are now calling this experiment the new normal (Kelly, 2020).

Some research has argued that the most identifiable legacy of the COVID-19 pandemic could be the widespread acceptance of remote work (Churchville, 2020). The ubiquitous nature of mobile data keeps employees plugged into an organization 24 hours a day, seven days a week. With access to large databases, professionals across various lines of business can collaborate virtually to form action plans, produce decision-making models, and re-direct focus on customer requests (Baltzan, 2017; Lawler, 2001). As many organizations quickly pivoted to virtual offices during the COVID-19 pandemic, many remote managers employed virtual tools and services to maintain collaborative environments and sustain strong team environments (Rysavy & Michalak, 2020).

As business environments have changed, so too must HR in a world of technological saturation (Baltzan, 2017; Reed, 2017). Traditional offices were organized with management and subordinates working near one another in an environment comprised of cubicles, desks, and computers. Today many businesses can be fully operational using only a mobile phone with the employee lying on a beach somewhere. As automated e-processes are completing several tasks once assigned to traditional HR departments, even certain aspects of training and recruitment are now shaped by the influence of these new technologies. Additionally, by automating repetitive HR

tasks, technological advances offer improved record-keeping accuracy and more rapid accessibility by employees and managers. For HR managers, such technologies allow them to analyze performance-management and professional development information (Wei & Jin, 2020; Reed, 2017). To remain organizationally valuable, HRD-focused managers must integrate technological trends into many aspects of their operations, aiding individual development and performance management (Baltzan, 2017; Reed, 2017).

### ***Employee Care***

The working conditions of employees have improved dramatically since the days of the Industrial Revolution, but basic sanitary and environmental needs are not the focus of employee care in contemporary HRD (Ramlall, 2009). Now, the focus is on providing physiological, emotional, and psychological support for employees (Ramlall, 2009). Many organizations offer their employees basic benefits packages, but many organizations see the need to focus on personal development by focusing on an employee's overall well-being (Gilley, et al., 2009; Reed, 2017). This employee-centric focus aims to maximize an increase in productivity and job satisfaction. Through proper personal development, employees will feel aligned with an organization's mission and begin to shift their work behaviors to function more productively (Gilley, et al., 2009; Reed, 2017).

Other research has shown that when employees are allowed to work in a “fun” and “supportive” environment, it “increases productivity; increases profitability; increases morale; attracts talented employees; reduces turnover costs; retains and attracts new customers; facilitates communication; stimulates creativity; relieves stress, and all of them together results in higher performance in the organization” (Akdemir, Erdem, & Polat, 2010, p. 160). Firms that operate under innovative HR strategies have attracted top talent while maintaining a loyal employee base, e.g., Google, Gravity Payments, and Facebook (now Meta).

To be clear, this notion of employee care is not new to the realm of HRD; it originates from the Hawthorne Studies conducted by Elton Mayo and Fritz Roethlisberger in the 1920s (Northouse, 2018). Unfortunately, it has taken several decades for researchers and practitioners alike to focus on an employee's total well-being, rather than mere environmental safety during work hours. By directing resources and support to an individual within a firm, management is aiding in both personal and career development, thus fulfilling the ultimate goals of HRD (Gilley, et al., 2009; Reed, 2017). Through an emphasis on talent and individual development within all areas of an organization, HRD acts as the catalyst for leaders to promote innovation and change within their respective organizations (Gilley et al., 2011).

### ***Systems Management***

Throughout modern work history, many HR sectors have taken on the role of a support department and operated behind the scenes of their organization, independent of the firm's mission (Northouse, 2018). In our current economy, this idea of passive assistance is no longer acceptable, as practitioners of HRD now need to be managers in an overall corporate system. As Ruona and Gibson (2004) argued, the new and evolved HRD must be synergistic and flexible to fulfill the growth and achievement of traditional HR, HRM, and OD roles. The concept of traditional work

arrangements has transformed to remain flexible, thus creating non-standard independent contractors (IC), gig workers, and e-Lancers (freelance employees operating virtually) (Schroeder et al., 2021). However, proper managerial oversight must occur even if classified as a gig worker, as this cannot be the sole reason for an IC classification (Walton & Brue, 2019). Unlike a task-focused approach, a systems approach structures activities and processes to develop and ultimately create transformational change (Ruona & Gibson, 2004). These authors advocate that full HRD integration into all facets of an organization will allow for the cross-fertilization of ideas and unique competencies to foster true partnership (Ruona & Gibson, 2004).

### ***Strategic Partners***

Many in HR have broken from the obsolete understanding of being solely task-focused and are now seeking identity as strategic consulting partners within an organization in hopes of becoming trusted internal advisors (Reed, 2017; Vosburgh, 2007). HR leaders are gradually evolving into this role and understand that actual realization requires interdependency between organizational leadership, training functions, and other HR departments (Jamrog & Overholt, 2004). A majority of firms still operate under antiquated ideas of HR functionality; however, some firms are bucking this trend by eliminating or streamlining many of the administrative tasks once assigned to HR departments and refocusing their energies on adding strategic value to the firm as a whole (Cascio, 2005).

Research has shown that partnership necessitates HR leaders to recognize/identify the strategic drivers of the organizational, team, and individual achievements and align them with organizational goals (Cascio, 2005). While some firms may have reached this level of internal understanding, this idea of HRD is continuing to evolve in the current day. Once organizational leaders can see measurable and strategic successes derived from HR activities, attitudes will shift, and partnership status will become the norm in the culture of corporate America. When this occurs, the concept of organizational development within the scope of the HRD mission will be realized.

Even as the modern state of HRD is transforming in both the academic and business world alike, it is challenging to generate reliable predictions for the future of HR due to the ever-changing and fluid world that we live in (Arcichvili, 2012). No crystal ball can accurately foretell the direction in which HRD will evolve, only continuous evolution. However, several HR trends indicate potential directions for the future. One notion is that HRD seeks to lead a firm from operationally functional performance to growing into a high-performance organization (High Performance Organization Center, 2020). Other research has found that a critical function of modern HR is to act as an ethical gatekeeper in organizational hiring and training (Villegas, 2019).

### **The Future of HRD: Developing into an HPO**

Based on findings from pertinent theoretical, empirical, and practitioner literature, the evolutionary track of human resources shows an emergence from the personnel department to HRM activities that develop an HRD focus, resulting in an employee-centered high-performance organization (HPO).

Even with the ability to measure results, the challenge is to link the human capital metrics to customer behavior and important business financial outcomes and build a coherent management system around the entire process. Succinctly, the future role of HR encompasses three broad areas: ensure compliance, gain commitment, and attempt to build capability. (Cascio, 2005). As organizations find ways to put concepts such as care, engagement, and innovation into practice, they will create an environment that produces and performs far superior to their closest competitors. Employee-centric leadership policies appear to act as a catalyst for positive intuitional change and performance (Gilley et al., 2011). These high-performance-based systems have been shown to reduce employee turnover, improve overall job performance, and provide employees with enhanced organizational identification (Ma et al., 2020).

HR leaders are faced with a significant decision to choose a road that could completely transform human resources as we know it. This road leads to HRD as a catalyst for strategic organizational change; the other path creates developmental stagnation that will lead to a dead-end focused on transactional and technical activity (Jamrog & Overholt, 2004). Where many in academia are seeing a philosophical shift towards integrating HRD into all aspects of an organization, the reality is that these theories are not fully actualized. Stagnation is a real threat to the future of strategic possibilities that HRD can bring to an organization. Through continued advancement in internal management administration and technological integration, HR leaders can show the value they can drive within an organization through measurable success in recruitment and productivity. HRD-focused leaders' institutional decisions cannot be made unilaterally; however, they should be made through enlightened organizational leadership. HR departments can grow to become mission-oriented and strategically proactive (Ruona & Gibson, 2004). With a mission-oriented *modus operandi*, HRD can lead the charge for an organization to function as a high-performance organization (High Performance Organization Center, 2020).

Many researchers have differences of opinion as to what constitutes an HPO, and though it may vary by industry and corporate structure, a high-performance organization has the following characteristics:

Understood vision and values, proper use of discipline, having clear and specific goals, having strong communication, and fun, constructing trust and confidence, decision making at the lowest level training effectively open feedback, customer-based system, a system of measuring improvement, strategic change management continuous innovation and openness to technology, team-based work, participative leadership, effective incentive system, recruiting and hiring the best talent, work-life balance, workplace diversity, motivation, compensation & performance appraisal, knowledge management, a meaningful job, effective succession planning, effective planning and analysis, ethical decision making and peer respect. (Akdemir et al., 2010, p. 172).

Some of the most successful organizations exemplify many organizational attributes within this list. Though a definitive path to reaching HPO status has yet to be discovered, some researchers argue that developmental training programs will foster creativity and innovation and motivate employees to produce at a high, yet sustainable, level (Loewenberger, 2013). Organizational learning should be seen as an investment in future success, not a line item expense without a return.



Other research has shown that HR departments begin to outsource and rid themselves of administrative tasks; they can refocus their effort and energy on effective HRD practices that create organizational success and value (Cascio, 2005). Perhaps eliminating transactional responsibilities will allow practitioners to focus on personal and career development through tailored training programs that yield intuitional returns. It has been argued that learning experiences can positively impact employee engagement and commitment, which aid in allowing creative and innovative ideas to flourish (Sheehan et al., 2013). As mentioned previously, innovation within organizations has been linked as an indicating characteristic of a high-performing organization (High Performance Organization Center, 2020). Even as the concept of an HPO may be an idealistic goal in the business world, HRD is gradually leading organizations to better themselves, their employees, and their industries through small evolutions.

### **Defining Performance within HRD**

Within the investigation of HRD literature, a strong emphasis on performance became evident as organizations implemented high-performance work systems into their operations (Ma et al., 2020) to evolve into HPOs. This evolutionary tract creates the need to understand further what is meant by the term *performance* within human resources. In examining research relating to HRD-based *performance*, seven recurring themes were seen as avenues to creating and sustaining long-term organizational success. These individual, yet organizationally symbiotic, themes create the framework to understand *performance* within the realm of HRD: (1) flexibility and diversity, (2) employee care and satisfaction (work-life balance), (3) career and training orientation, (4) employee empowerment, (5) innovation and creativity, (6) continuous improvement, and (7) quality leadership. Many of these critical concepts fit perfectly within the HRD framework while at the same time aiding in identifying a practical definition of performance.

#### ***Flexibility and Diversity***

An organization that can respond to change and evolve based on the needs of its employees will be able to successfully adapt to ultimately perform at a high rate (Ruona & Gibson, 2004; Ulrich, 1997). These firms realize that for human resources to reach a sustainable and elevated performance level, periods of disruption are essential for the organization to evolve (Jones, 2015). Organizational leadership in all enterprises must have a set vision of where they want to go and have the necessary power to change when necessary (McManus, 2001). If an organization is incapable of rapid and necessary change due to size or self-imposed restrictions, they limit their ability to perform effectively and efficiently. Openness to diverse ideas and innovative leaders within a company (Bel, 2010) who are allowed to function in a fluid environment will allow a firm's human resources professionals to maintain this elevated level of performance (Arcichvili, 2012).

#### ***Employee Care/Satisfaction (Work-Life Balance)***

The concepts of performance and human capital (employees) cannot work independently of one another, as employees are the actual human resources of an organization (Gilley & Maycunich, 2000). When an organization desires performance, it must focus on its employee's emotional, physical, and mental well-being more than just during the hours an employee is being

paid to work (Ramlall, 2009). HR professionals must focus their efforts on the “whole employee” as the outcome of these efforts will be higher employee output, improved organizational performance, stronger communities, healthier families, and an improved world for everyone (Ramlall, 2009). Any performance strategy must include the understanding that high performance should enrich organizational employees' lives both at work and at home (Carvalho & Chambel, 2016). Caring for the employees has been shown to increase performance and help alleviate work strain (Van De Voorde & Beijer, 2015). Additionally, it has been widely noted that when employees have high job satisfaction, they also have a sustained high production level (Ingvaldsen, Johansen, & Aarlott, 2014).

### ***Career/Training Orientation***

When considering employee management for performance, an organization needs to understand that adequately training employees should never be considered solely a monetary expense, but rather an investment in a company's future (Sheehan, Garavan, & Carbery, 2013). Training programs take various forms, from online classes to on-the-job training, all of which have merit. However, to increase performance, it is necessary to create interactive training programs that can benefit the individual and the whole organization in innovation and creativity (Loewenberger, 2013). A comprehensive training program will help to yield strong performance results when an organization has the right people in the correct positions (Cairns, 2012), thus bolstering an organization's human capital (Becker & Huselid, 1998). HRM ensures that employees receive proper development and training, especially regarding technology integrated into specific job duties (Yamamoto & Villegas, 2020). Technology can only serve as a tool to improve performance if the employee is supported, trained, and empowered to integrate new methods into their daily operations.

### ***Employee Empowerment and Engagement***

Committed and involved employees must have the authority to function productively without unnecessary control interferences (Jiang & Liu, 2015). In terms of systematic and departmental successes, employee engagement has shown to be a critical focus for achieving high performance (Sienknecht & Aken, 1999). Empowerment is closely tied to the social development of a firm with respect to employee motivation and job satisfaction, both of which enable sustained performance within an organization (Messersmith & Guthrie, 2010).

### ***Innovation & Creativity***

An organization will not achieve high performance simply by maintaining the status quo, as a systematic environment receptive to innovation and creativity is required for productivity improvement (Sienknecht & Aken, 1999). As argued in past research, “Developmental leadership proves to be a dynamic tool in performance improvement that uses employees' growth and development, creativity and innovation, problem-solving, and teamwork, for example, in the quest to secure desired organizational performance. Improved performance may be demonstrated in the form of new products developed and brought to market, enhanced revenues and market share, increased production, or better customer service, to name a few” (Gilley, Shelton, & Gilley, 2011, p. 389). When individuals are allowed to behave innovatively at work, they begin to explore and

champion the application of new processes, ideas, procedures, and even products (Suriyamurthi, Velava, & Radhiga, 2013).

### ***Continuous Improvement***

The concept of performance requires continuous improvement, thus remaining fluid with the ability to evolve. An organization must be willing to improve its practices continually to maintain long-term performance results (Arcichvili, 2012). Improvement, especially in talent and individual development, can act as the remedy required by institutional leadership for promoting innovation and change (Gilley, et al., 2011). An organization that is prepared to improve an actionable philosophy will create a competitive advantage that can yield performance far superior to industry norms.

### ***Quality Leadership***

When it comes to leading an organization to reach an elevated level of performance, this is not a task completed by just any manager or person in authority. Those in authority must be able to set clear expectations, promote a sense of belonging, allow for employee involvement in corporate decisions, place importance on quality, be consistent in meeting customer needs, and encourage the development of personal skills (Owen, Mundy, Guild, & Guild, 2001). When intrusive and inadequate leadership is absent, organizations can dramatically increase productivity while maintaining employee motivation (Ingvaldsen et al., 2014).

Rooted in the synthesis of this literature review and the seven identified elements, we offer a new conceptual understanding and definition of the term *performance* within HRD. Within the scope of this research, the definition of the term *performance* emerges as:

a fluid and actionable human resource management concept focused on the symbiotic and simultaneous relationships between organizational flexibility, employee care, training, empowerment, innovation, and continuous improvement being orchestrated through quality leadership.

Many other attributes could also potentially be added to this working definition. However, each of these areas has demonstrated the ability to be actionable and measurable.

### **Directions for Future Research**

Literature on this topic has clarified that employee management's ideas, operations, and managerial considerations have metamorphosized over the past 150 years. Especially with many employers shifting workers to an online or virtual format with great success (Kelly, 2020), the office dynamic is changing, as are managerial abilities to control environmental factors in the workplace, including employee appearance, adherence to a strict schedule, desk space, technology, etc. As this field of study evolves, additional focus areas should be analyzed to identify systematic and theoretical changes in attitudes toward HRM, HRD, and HPOs.

It is paramount to analyze the effectiveness of our proposed definition of performance in an evolving environment and add to it, if necessary. Future researchers could and should identify the next step in human resources management and performance evolution. Examples of future studies could include an investigation of self-managed work teams who work independently and autonomously to complete their assigned tasks (Yang & Guy, 2011). HR performance could be experimentally tested to identify new systems of employment where all individuals act as independent contractors, where companies can eliminate the need for “employees” and hire high-performing professionals to work independently based on organizational needs (Castellano, 2013). Before the COVID-19 pandemic, only 10% of businesses saw remote work as a viable and productive avenue for operating, yet this attitude has shifted as 77% of employers now consider virtual offices a success (Churchville, 2020). Lastly, it is worth exploring how improvements in virtual collaboration technology are transforming the employee-employer relationship. As knowledge about this topic changes over time, so does the research opportunity.

This significant shift from a traditional, centralized office to a decentralized approach has implications for practitioners and educators alike. Using the framework provided earlier, organizational norms post-COVID-19 will fundamentally alter flexibility and diversity, employee care/satisfaction, career training, employee empowerment, innovation, continuous improvement, and quality leadership. As the economy has rebounded after the pandemic, companies have faced a mass exodus of employees. In 2021, McKinsey interviewed nearly 1,000 workers to assess their views on work and how it has changed (Emmett et al., 2021). Overwhelmingly respondents said they craved purpose and meaning in their work. They strive for social cohesion and trust. They want to feel seen and recognized. Employees also want opportunities to learn, grow, and advance. Most importantly, they want to use new digital tools to help them achieve work-life balance. It is incumbent upon the practitioners to build a sustainable business model that incorporates each of these critical elements. Equally important, academics must question the driving forces behind these changes and theorize their importance for the next generation.

As HRD looks to build out the elements required to be an HPO, objective-based measurement will be crucial. As discussed, shareholders are increasingly concerned with environmental, societal, and governmental efforts. In each aspect, activities associated with these efforts harken back to the purpose and values the organization holds dear. Future researchers could leverage the work of Doerr (2019) and his concept of Objectives and Key Results (OKRs). Many organizations have moved past the concept of using strict KPIs to now adopting OKRs as they look to measure their efforts due to their simplicity of design and interpretation. An old organization colloquialism is that “*A good manager always inspects what they expect.*” As the role and scope of HR takes on a more performance-based approach, there is a strong likelihood that OKRs will become a dominant force in HR metrics.

## **Conclusion**

The importance of understanding HRD evolution is as revealing as it is encouraging. The study of human resources, more specifically HRD, deals with understanding real people who have physiological needs, genuine emotions, and individual behaviors that can create unbridled success or be the root cause of an organization’s demise. Human capital is the most important and valuable aspect of any company (Gilley & Maycunich, 2002) because of the unmeasurable power people

have within a firm. The primary insight from this review of the history of HR evolution is that people, attitudes, and ideas change. As the human capital pool and the needs of consumers continue to change, so should the policies, philosophies, and directives of HR departments across the nation. Unwavering and traditional operations are an excellent attribute for historians but not for human resources professionals. HRD should be a driving force within an organization that calls for technological integration, systems thinking, employee care, and internal partnerships. Only by evolving the present state of HR can the mission of HRD be fulfilled and aid organizations in becoming high-performance organizations through a strategic, yet fluid, understanding of performance. While the future of work may look different than in generations past, the importance of employee-focused operations will gradually evolve the nature of work into a system where there is greater values alignment between organization and employee.



Figure 1: Evolution of HRM Driven by Performance

The future of HRD is not yet written, but the actions and strategies of contemporary managers will forge the path of HR operations for generations to come. The challenge created by Ulrich (1997) of wanting to play in an ever-changing discipline has stood the test of time and continues to provide new surprises. The time for employee-centered strategies to become commonplace begins now. The role and importance of HRD will never be one and done (Jones, 2015), but rather will require consistent alteration to function in a value-added manner.

In their ongoing efforts to bring value to an organization, HR leaders and managers should continue on their path of caring for employees in a manner that results in improved employee and overall organizational performance (Ramlall, 2009). While motivation and performance achievement will still be essential to HRD, the contemporary understanding of this discipline in action is trending to emphasize employee well-being, flexible/hybrid workspaces, and employees who seek greater personal alignment with their employer's organizational values (Meister, 2022). Shareholder demands for more significant societal and environmental impacts will also push organizations and HRD into new areas of caring for employee well-being and community

partnerships, among other ESG efforts (Nekhill et al., 2021). It would be beneficial for practice to inform research in this instance for environmental and societal efforts. Much as a caterpillar transforms into a butterfly, human resources have metamorphosized from HRM tasks/activities to the magnificence of high-performance HRD to become an HPO (Figure 1) in virtual and physical spaces.

Future researchers should explore how advancements in HR technologies can support employees to become more productive and efficient and increase employee satisfaction while maintaining an employee-centered focus. The current and future state of the HR discipline can accurately be described by the Greek philosopher Heraclitus when he postulated that life is constantly in flux and the only constant is change itself (Epstein, 2018). Just as business operations and leadership have matured over the past century, so will the importance and prowess of HR initiatives on employee-based efficiency. Through incremental organizational evolution, HR will become a stronger, employee-centered, values-fueled, performance-driven field that could yield organizational outcomes that were once considered impossible.

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