Performance counseling for enhanced workforce and organizational performance—An empirical study

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ABSTRACT

In this competitive era, organizations are focusing on developing their workforce and improving the performance of the organization. One of the tools available to managers for motivating and satisfying the employees is performance counseling (Rana, G & Rastogi, R. 2010). Performance Counseling helps employees to know themselves better. Performance counseling is a very useful activity, provided both the counselor and the counselee take it in the right spirit. It helps the employee as well as the organization to identify weaknesses and then to formulate strategies to improve the performance. Performance improvement ultimately helps the organization to meet its goals and objectives. This study aims at identifying the relationship between performance counseling and enhanced workforce and the performance of the organization. This study was carried out in a service organization. A sample of 125 employees was taken for the study. The study identified a positive and strong correlation between performance counseling and enhanced workforce and organizational performance.

Key Words: counseling, workforce, correlation, organizational performance

INTRODUCTION

The 21st century businesses are operating in the knowledge age. The business environment is dynamic and organizations are continuously exploring alternative strategies and policies. The most common challenges faced by any organization these days relate to talent retention, increasing productivity and profitability (Rana, G & Rastogi, R. 2010). An organization’s survival greatly depends on its ability to efficiently manage the available resources and remain competitive in a continually changing business environment. This is necessitating the employees to upgrade their competencies regularly. It is imperative for business managers to achieve synchronization between performance and expectations of managers and employees and performance counseling is a good tool to manage these expectations.

In organizational counseling, managers cannot make decisions for employees however; they can help employees in making their own decisions. Counseling helps employees with personal problems that are indirectly related to their work in the organization. As problems are alleviated, an employee’s productivity improves. In the world of ever increasing complexity and stress in the lives of employees, employee counseling has emerged as the latest HR tool to attract and retain its best employees and also to increase the quality of the workforce (Subrahmanian, Mu & Anjani, N. 2010). Organizations have started realizing the importance of a stress-free yet motivated and capable workforce. In this study, the researcher tried to analyze the impact of counseling in developing the workforce and the performance of the organization.

LITERATURE REVIEW

Kram, K.E (1983), compared mentored employees to non mentored employees, and had found that mentored employees often received greater organizational rewards (promotions), reached financial prosperity sooner, and reported increased job satisfaction and commitment.

Wilson, J.A and Elman, N.S (1990) revealed that counseling functions as a form of on-the-job training in the development of human resources of an Organization. Allen et al., (1997) found that organizational support for employee development and the existence of company training programs as two important dimensions that facilitated mentoring. Mentoring was realized as a tool for career development of employees.

Hegstad, C.D (1999), HRD occupies an important role in the effectiveness of formal mentoring programs. Mentoring mainly focused on career advancement of employees such as increased exposure, challenging assignments and psychosocial stability including increased self-image and confidence.

Minter, R.L and Thomas, E.G (2000), provided three strategic approaches to managers to develop their employees and improve their performance. They are counseling and mentoring, mentoring and counseling and mentoring which is definitely an art and required managers to approach it in a more customized way.

Watt, L (2004), recognized counseling as an effective program which developed the intellectual capital of leading organizations. Mentoring helps Human Capital to develop their knowledge, skills and behavior to fit into their role. He also added that counseling and mentoring was most effective in improving the performance of the employees.

Valentine, S (2004), attempted to determine whether corporate employment counseling could enhance employees' beliefs about organizational ethics. The results supported for the notion that counseling is positively related to perceived corporate ethical values. The study also revealed that perceptions of organizational ethical values were higher among individuals who were employed in companies that offered employment counseling than the perceptions of
individuals working in companies that did not offer such counseling.

Thomassie, D. O Banion, J. L. (2007), held that mentoring not only develops the talents of employees, but also motivates and supports the employees in identifying their career path and in setting their performance standards. According to Ken Fracaro, mentoring focused on the career path of an employee who is a high performer and capable of advancement.

This study focused on identifying the relationship between performance counseling and developed workforce and improved organizational performance. This laid the foundation to the following research objectives:

- To analyze the relationship performance counseling and enhanced workforce and improved organizational performance
- To study the impact of developed workforce on organizational performance.

METHODOLOGY

Sample
Primary data was collected from the respondents by using a questionnaire with 25 items. A sample of 125 respondents from service organizations in Chennai, constituted as the sampling unit for the study. Convenient sampling technique was adopted to collect the data.

Measures

Independent Variable

Dependent Variables

Enhanced Workforce
Workforce enhancement was measured by measuring Individual capability or Employee capability. Cantrell et al., (2006), measurement items like leadership capability, employee engagement, workforce performance, adaptable workforce, adherence to change, talent management and human capital efficiency was adopted for measuring enhanced workforce on a five point Likert scale ranging from Always (5) to Never (1).

Organizational Performance
Seven items that measured organizational performance used in a study made by Delaney J, T and Huselid, M.A (1996) were adopted for the present study. The questions enquired the respondents on how they would compare their own organization’s performance on certain specific parameters, with that of similar organizations over the preceding three years on a five point likert scale ranging from Excellent (5) to worst (1).

Scale Reliability
Reliability test was conducted on the tool to test the reliability of the instrument. The cronbach’s alpha value for the scale was 0.8231 (Table 1). This value is higher than the acceptable lower limit of 0.6 according to Nunnally, J.C (1978). Being satisfied with the reliability of the instrument, the researcher preceded further and conducted Pearson correlation test and multiple regressions to find out the relationship between performance counseling and workforce enhancement and organizational performance.

Table: I Cronbach’s Alpha Coefficient for scale

<table>
<thead>
<tr>
<th>Reliability Coefficient</th>
<th>No of Cases</th>
<th>No of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha = 0.8231</td>
<td>125</td>
<td>25</td>
</tr>
</tbody>
</table>

DATA ANALYSIS AND DISCUSSIONS

CORRELATION COEFFICIENT

Pearson Correlation is conducted to find out the relationship between performance counseling and enhanced workforce and organizational performance. The following hypothesis is tested here

\[ H_1 – \text{There is no significant relationship between performance counseling and enhanced workforce} \]

\[ H_2 – \text{There is no significant relationship between performance counseling and organizational performance} \]

Table II Correlation Coefficient

<table>
<thead>
<tr>
<th>DV*</th>
<th>Enhanced Workforce</th>
<th>Organizational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC*</td>
<td>Pearson Correlation</td>
<td>.728(**)</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td>0.000</td>
<td>0.009</td>
</tr>
<tr>
<td>N</td>
<td>125</td>
<td>125</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

DV* – Dependent Variable
PC* – Performance Counseling

Pearson correlation is conducted to find out the relationship between performance counseling and enhanced workforce and organizational performance. The hypothesis H1 and H2 is rejected and (Table II) and the researcher found a high positive relationship between performance counseling and enhanced workforce (.728) and organizational performance (.528). This indicates that performance counseling helps the employees in identifying their problems and weakness and provides them with ways and means to overcome their problems and weakness. This paves way to developed workforce and improved performance.
REGRESSION ANALYSIS

After identifying the correlation between performance counseling and enhanced workforce and organizational performance, the researcher tried to find out if organizational performance in service sector is predicted by enhanced workforce by using a multiple regression model.

Hence the following hypothesis and regression model is proposed.

\[ H_0 – \text{Organizational performance is not predicted by enhanced workforce} \]

Organizational performance \( Y_{1a} = b_{1a} + b_{1a1} x_1 \)

Where,

\[ x_1 – \text{Enhanced workforce} \]
\[ b_{1a} – \text{Regression Coefficients} \]
\[ b_{1a1} – \text{Regression Constant} \]

The coefficient of determination (Table III) \( R^2 \) was compared to determine percentage variation in the dependent variable. F value was to compute the significance of \( R^2 \) with F-distribution at 5% level of significance. The model is found fit on significance (.000) of independent variable proving organizational performance depends on enhanced workforce.

The prediction ability of the model is expressed by R square which was .410 whereby 64% (Table III), of the variance in organizational performance was explained by enhanced workforce. Since the significance value is lesser than .05 the null hypothesis \( H_0 \) is rejected, which states organizational performance is predicted by enhanced workforce.

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**Table III Model Summary**

<table>
<thead>
<tr>
<th>Mode 1</th>
<th>R</th>
<th>R square</th>
<th>constan t</th>
<th>B</th>
<th>Std. Error</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP*</td>
<td>.64</td>
<td>.410</td>
<td>.914</td>
<td>.7</td>
<td>.046</td>
<td>17.1</td>
<td>.00</td>
</tr>
</tbody>
</table>

Predictors: (constant) enhanced workforce

**OP* Organizational Performance**

**Regression Equation**

Organizational performance = .914 + 0.792 (Enhanced workforce)

**FINDINGS**

This study has identified a strong positive correlation between performance counseling and enhanced workforce and organizational performance. It is also clear that organizational performance is predicted by enhanced workforce. Hence it is understood that performance counseling plays a major role in the development of workforce of the organization which in turn has an impact on the performance of the organization. It is understood that many companies have integrated counseling services in their organizations and made it a part of their culture. Employee counseling provided help and support to the employees to face and pass through the difficult times in life. Counseling is guiding, counseling, advising and sharing and helping to resolve their problems whenever the need arises.

**REFERENCES**