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HUMAN RESOURCE DEVELOPMENT AND CONSULTANTS' PERFORMANCE: AN EMPIRICAL STUDY IN VIETNAM

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Abstract

Human resource is a very important capital in each organization, which need nurturing and developing. Especially, consulting firms, who are providing professional services, are likely to depend most on the strength of human resource because they are mainly labor intensive and their reputation is built by their human resource's performance. Developing human resources and tracking their performance are one of the first priority objectives in any service companies in general and consulting firms in particular. This paper examines the influence of human resource development on consultants' performance in consultancies in Vietnam. The five dimensions tested are: Organizational development, Career development, Individual development, Performance management, and Rewarding policies, which are supposed to positively impact consultants' performance. Quantitative methods and SPSS 20 were applied to analyze data based on the procedure of Reliability Test, Explanatory Factor Analysis (EFA), Correlation Coefficient and Regression Model. Results suggest that consulting firms should pay more attention on three main factors: individual development, career development and promotion policies to enhance consultants' performance.

Key words: Human Resource Development, consultants' performance, consulting firms

Introduction

Organizations, regardless they are private or public companies, for-profit or non-profit organizations, must operate among and in cooperation with people. Especially, consulting firms, who are providing professional services, are likely to depend most on the strength of human resource because they are mainly labor intensiveness and their reputation is built by their professional consultants' performance. Developing human resources, therefore, must be the first-priority objectives in any service companies in general and consulting firms in particular.

On the other hand, even though Human Resource Development (HRD) is a popular topic to research, little attention was paid on determining specific factors within this concept possibly affect consultants' performance, especially in Vietnam. These researches normally discussed a larger scope of human resource management (HRM) rather than specified HRD or performance management process (Richter et al., 2008). In Vietnam, consulting firms has developed for recent years, along with the development of big corporates who need professional advisory services. However, very little of researches have been done on the issue of employees' assessment in consulting firms. Therefore, the authors implemented the research on responses of consultants who currently working in consultancies, both of international firms who have branches in Vietnam and Vietnamese firms. The aim of this research is to examine the influence of human resource development on consultants' performance in consulting firms in Vietnam. Based on the results achieved, the research discusses the appropriateness and applicability of the results at consultancies in Vietnam.

Literature reviews

Human resource development

Human resource development (HRD) is the process of optimizing the production and utilization of the workforce and it is concerned with staffing issues, education and training, performance management, working conditions (Noe et al., 2016). HRD is to train and develop individuals, career, and organization. The shortage of well-trained employees limits the development of general economy, then, the most strategists agree that HRD is important in any companies. Formal training programs are an effective way of directly transferring the organizational goals and values to a whole group of people simultaneously (Shen & Roger, 2006).

HRD has three main functions as follows: *(1) Organizational development:* Organizational development emphasizes both macro and micro-organizational changes: macro changes are intended to ultimately improve the effectiveness of the organization as a whole, whereas micro changes are directed at individuals, small groups, and teams (Jon & Randy, 2012). *(2) Career development:* Career development is a general term used to describe a number of activities aimed at enhancing both individual and organizational performance, it benefits both of employee and organization. Career development involves two distinct processes: career planning and career management. Organizations should assist employees in career planning so the needs of both parties can be satisfied (Wayne & Joseph, 2016). *(3) Individual development (or training and development),* (Raymond, 2010) indicated that development is future oriented, meanwhile, training traditionally focuses on helping employees improve performance of their current jobs.

Almost human resource management specialists normally consider HRD and performance appraisal as two separate

parts in human resource management process. However, Jain and Gautam (2014) approved a different idea that performance appraisal is a sub-system of HRD. These processes continue in a cause-and-effect relationship as output of HRD, reflecting by employees' performance, is the input of appraisal process. According to Robbins et al. (2020), performance appraisal refers to the process of evaluating work performance of employees to make personnel decisions. Based on performance assessment process, HR executives can evaluate effectiveness of development program and determine any weakness point for further improvement. Therefore, in this article, authors consider HRD and performance appraisal as a continuous and consistent process, which should be implemented simultaneously.

Employees' performance appraisal

Hundreds of theories about performance appraisal been published, but implementation in practice may be so far different. This topic was discussed on different industries but only a few researches focused on a specific field like consulting. For example, Tahiri et al. (2020) studied Human Resource Management, Performance Management and Employee Performance Appraisal of enterprises in different fields. Besides, these researches normally discussed a larger scope of HRM rather than specified performance appraisal process such as Richter et al. (2008), Kadam (2012), Thuy and Trinh (2021) analyzed the general policies of human resource management and performance appraisal in general. In Vietnam, consulting firms has developed for recent years, along with the development of big corporates who need professional advisory services. Therefore, very little of researches has been done on the issue of employees' assessment in consulting firms. Consultants are expected to have professional knowledge and master skills in some aspect therefore they must have been well-trained by special development program. Employees' performance improves from low to high after implementing organizational development interventions programs, the workers were more willing to be challenged and more eager to do their work (Phiphadkusolkul, 2012). About career development and consultants' performance, McGraw (2014) states that the effective implementation of employee career development processes significantly enriching employee's competency and improve their performance. About individual development system and consultants' performance, Sung and Choi (2014) argued that corporate investment in the training, education and organizational learning have potential to enhance the innovative performance. About performance appraisal system and employees' performance, employees those feel that the results of performance appraisal are unfair they often leave the organization and their morale and involvement will let down. There is a significant relationship exist between performance appraisal and employees' performance (Iqbal et al., 2013). About

rewarding system and employees' performance, Barber and Bretz (2000) mentioned that reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance. However, those studies did not have a consulting firm and consultants involve in their researches.

HRD and performance appraisal in consulting firms

Consultants' development is a continuous experience-driven leaning process and the development needs for senior consultants, project leaders and partners should not in underestimated (Domsch, 2006). As normal career structure described in consultancies, it usually takes 6-12 years to reach the level of partner. The career path is clear and straight forward with stages. Consultants who have excellent performance can be allowed to skip one or some stages. Fast career progression positively motivates consultants and creates a dynamic and competitive working environment. In order to reach the partner level, any consultant need a long time of gaining experience and hard development. Organizations may support employee development through a variety of formal educational programs, either at the workplace or off-site. Another way to provide for employee development is assessment, collecting information and providing feedback to employees about their behavior, communication style, or skills (Dressler, 2020). Most employee development occurs through job experiences, the combination of relationships, problems, demands, tasks, and other features of an employee's jobs. Interpersonal relationships such as mentoring and coaching not only enrich relationships among colleagues, between seniors and juniors, etc. but also help shorten time for development by quickly learn personal knowledge from experienced others.

Research methodology

Research hypotheses and model

The authors suggested relationships between each independent factor and consultants' performance based on the previous researches, then proposing hypothesis.

Employees job performance improves from low to high after implementing organizational development interventions programs, the workers were more willing to be challenged and more eager to do their work. This is part of increasing the level of employee job performance, (Phiphadkusolkul, 2012). Organizational development strives to improve the performance of individuals, groups, and the overall organization (Robbins et al., 2020). Based on those discussion, the first hypothesis can be derived as follows:

H1: Organizational development has a positive influence on consultants' performance.

The effective implementation of employee career development processes significantly enriching employee's competency and improve their performance (McGraw, 2014). Career

development affects employee performance through counseling and supports employees and helps them to develop their approach and solving problems (Kakui & Gachunga, 2016). In short, career development has close relationship with consultant's performance. The second hypothesis can be derived as follows:

H2: Career development has a positive influence on consultants' performance.

Training and development refer to an integrated set of planned programs are designed by the organization provided over some time, to help assure that all individuals have the necessary competencies to perform their fullest potential in support of the organization's goals (Jacobs & Washington, 2003). Sung and Choice (2014) argued that corporate investment in the training, education and organizational learning have potential to enhance the innovative performance. Consultancies therefore need to nurture their human capital strength by training and development programs.

H3: Individual development have a positive influence on consultants' performance.

Procedural justice perceptions include the fair relative weighting in the basic elements of the performance appraisal system (Robbins & Judges, 2019). Employees those feel that the results of performance appraisal are unfair they often leave the organization and their morale and involvement will let down. There is a significant relationship exist between performance appraisal and employees' performance (Iqbal et al., 2013).

H4: Fair and clear performance appraisal system positively influence consultants' performance.

Reward management system is a core function of human resource discipline and is a strategic partner with company management. Reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance (Barber & Bretz, 2000). Reward system include both of financial and non-financial rewards. Financial rewards are salary increase, bonus, etc. Meanwhile, non-financial rewards are promotion and title, authority and responsibility, education, appreciation and praise, etc. (Noe et al., 2016).

H5: Reward and promotion system has a positive influence on consultants' performance.

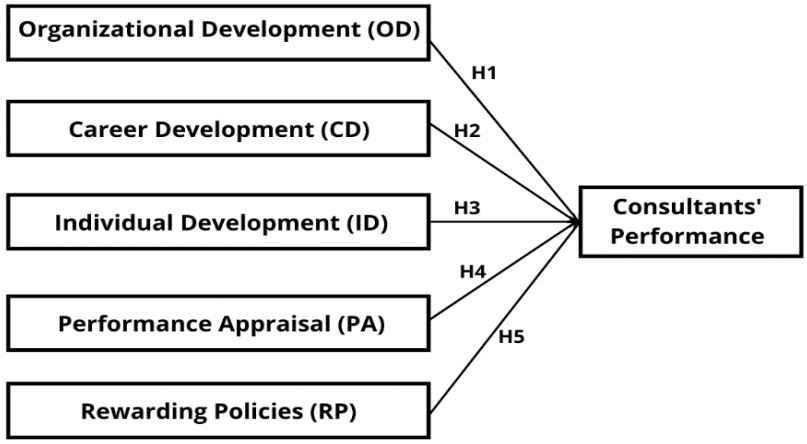

Figure 1 Research Model
Source: Conducted by authors, 2020

Research methods

This research applies theory-then-research strategy, which means the authors formulated a hypothesis from theories, then use collected data to test them. This includes developing a theoretical model for testing, creating a number of hypotheses that reflect relationships between its components, design research measures to investigate the model, testing the hypotheses using the collected data, and purifying the model and its associated theories.

Table 1 Variables and measurements

Variables	Measurements	Source
Organizational Development	OD1, OD2, OD3, OD4, OD5	Phiphadkusolkul (2012)
Career Development	CD1, CD2, CD3, CD4, CD5	McGraw (2014)
Individual development	ID1, ID2, ID3, ID4, ID5	Sung & Choi (2014)
Rewarding policies	RP1, RP2, RP3, RP4, RP5	Barber & Bretz (2000)
Performance appraisal	PA1, PA2, PA3, PA4	Iqbal, et al. (2013)
Consultants' performance	CP1, CP2, CP3, CP4, CP5	Domsch (2006)

Source: Conducted by authors, 2020

In order to evaluate the influence of HRD on consultants' performance, the questionnaire used for this study is built based on the authors' assumptions above. The questionnaire consists of two main parts. The first part is to exploit the background information of respondents to have fundamental understanding about who are they and their general satisfaction with jobs at Deloitte Vietnam. The second one collects data for modeling purpose. This is the space

to get individuals' insight on the importance of each determinant. Questions are developed by clarifying each determinant from previous researches of Phiphadkusolkul (2012), McGraw (2014), Kakui & Gachunga (2016), Sung & Choi (2014), Iqbal et al. (2013), Barber & Bretz (2000). Some questions are added based on personal perspective to suitable for study's goals in a Vietnam consulting firm.

With purposes of this research, quantitative approaches are useful to abstract information. As such, dummy variables are employed to turn categories of responses to high and low score. Likert scale questions serves the main purpose of this research, which focuses on exploiting influence of each factor toward consultants' performance. A list of questions will be provided along with rating scale from 1 to 5 for scoring importance of each factor. The analysis of the survey data was conducted by using statistical techniques, which is exploratory factor analysis (EFA). This technique involves descriptive statistics, assumptions for data analysis, quantitative data analysis. EFA seeks to discover the underlying structure of a relatively large set of variables. EFA comprises three major stages: Assessment of suitability of data for factor analysis; Factor extraction; Factor rotation. Hair et al. (2010) stated that to use the EFA, the minimum sample size must be at least 50 and it is better to be more than 100. Pallant (2005) also mentioned that the ratio of observation/variables is 5:1 or for every variable we need 5 observations or samples, so the required number of samples is 22 x 5 = 110.

Finding and analysis

Sample description

Table 2 summarized total 126 valid responses in frequency and percentage. It can be seen that both male and female respondents are involved in the research and most of them (more than 97%) are at the age of below 30. Respondents have varied positions in consulting firms including Associate, Intern, Senior Consultant and Manager; however, more than 55% of them are Associate.

Table 2 Sample description

Criteria	Descriptions	Frequency	Percentage (%)
1. Age	22-25	76	60.3
	Under 22	29	23
	25-30	18	14.3
	30-40	3	2.4
2. Gender	Male	73	57.9
	Female	53	42.1
3. Position	Associate	70	55.6
	Intern	34	27
	Senior consultant	18	14.3
	Manager	4	3.2

Source: Conducted by authors, 2020

Reliability test

The most common measure of internal consistency used by researchers in psychology is Cronbach's alpha. The study started testing the reliability of scale of factors affecting the entrepreneurial competences with 22 variables. In Table 3, Cronbach's Alpha = 0.892, a good value, proves the reliability of scale. Three variables, OD2, RP1 and PA1, have small corrected item-total correlation value (under 0.3). If these items are deleted from the model, the new Cronbach's Alpha will be higher than the current one (0.892). The authors use corrected item – total correlation and Cronbach's Alpha if item deleted to alter low reliability variables. The low reliability index does not mean that the variables have no meaning to the final model, the problem is in the data collection process. In Table 3, three factors are eliminated since if they are deleted, the model is more reliable. OD2 – "Plans to develop organizational conditions to optimize individuals' strength"; RP1 – "Rewarding and promoting policies are compliant with regulations and consultants' expectations"; PA1 – "Platforms used in performance appraisal must be optimized".

Table 3 Reliability test

Reliability Statistics	
Cronbach's Alpha	N of Items
.892	28

Source: Conducted by authors, 2020

Kaiser-Meyer-Olkin (KMO) test is a measure of how suited the data is for factor analysis. The test measures sampling adequacy for each variable in the model and for the complete model. KMO value varies from 0 to 1, of which the good KMO should be in range from 0.5 to 1. In Table 4, when conducting exploratory factor analysis, right from the first round, the test values are guaranteed since coefficient 0.5<KMO = 0.791 <1.0.

Table 4 KMO and Barlett's test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.791
Bartlett's Test of Sphericity	Approx. Chi-Square	2101.492
	df	300
	Sig.	.000

Source: Conducted by authors, 2020

Table 5 shows that there are six variables of which Eigenvalue over 1 provide best summary information, or the first six principal components form the extracted solution. They explained nearly 70% (cumulative of variance = 69.615%) of the variability in the original twenty-five variables, so the research can considerably reduce the complexity of the data set by using these components, with only 30.385% loss of information. The rotation maintains the cumulative percentage of variation explained by the extracted component. The large changes in the individual totals suggest that the rotated component matrix will be easier to interpret than the unrotated matrix.

Table 5 Total Variance Explained

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.083	32.332	32.332	8.083	32.332	32.332	3.866	15.463	15.463
2	2.826	11.302	43.634	2.826	11.302	43.634	3.643	14.574	30.037
3	1.994	7.977	51.611	1.994	7.977	51.611	3.142	12.569	42.606
4	1.808	7.231	58.843	1.808	7.231	58.843	2.805	11.221	53.827
5	1.543	6.174	65.016	1.543	6.174	65.016	2.162	8.649	62.476
6	1.150	4.598	69.615	1.150	4.598	69.615	1.785	7.139	69.615

Source: Conducted by authors, 2020

Table 6 Rotated component matrix

Rotated Component Matrix[a]						
	Component					
	1	2	3	4	5	6
CP3	.843					
CP4	.838					
CP5	.831					
CP1	.791					
CP2	.670					
OD1						
PA2		.858				
RP3		.853				
RP2		.698				
PA4		.604				
PA3		.583				
RP4		.540				
ID1			.736			
ID3			.736			
ID5			.708			
ID2			.675			
ID4			.621			
CD3				.890		
CD2				.850		
CD4				.762		
OD5					.789	
OD3					.731	
OD4					.604	
CD1						.734
CD5						.678

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 7 iterations.

Source: Conducted by authors, 2020

From Table 6, variable OD1 has no value then should be eliminated from the model. Therefore, the fact that the organizational intention to recruit outstanding people for a strong human resource has no meaning in this research. According to the matrix, six new groups have been formed (F1, F2, F3, F4, F5, F6):

- Group F1 includes four component variables related to consultants' performance (CP1, CP2, CP3, CP4, CP5). This group is the new dependent variable.
- Group F2 includes four variables of performance appraisal (PA2, PA3, PA4) and three variables of reward policies (RP2, RP3, RP4).
- Group F3 has five variables of individual development (ID1, ID2, ID3, ID4, ID5).
- Group F4 includes three variables of career development (CD2, CD3, CD4).
- Group F5 includes three variables of organizational development (OD3, OD4, OD5).

- Group F6 has two variables of career development (CD1, CD5).

Rotated component matrix suggests what components represent. 6 groups of variables are clearly displayed in Table 6, in which each group represents a component affecting dependent variables of this research. Having reviewed variables in each component, it is necessary to redetermine updated variables to assess in the next part of research. In addition, assessing many variables which have similar characteristic will consume time as well as complicating the model. Thus, the analysis transformed old group of variables into new groups with names reflecting their nature as in Table 7. New names applied are more clearly identity characteristics and nature of each component.

Table 7 Variables' transformation

Factor	Name	Variables	Relation
F1	Consultants' performance	CP1, CP2, CP3, CP4, CP5	Dependent
F2	Appraisal policies	PA2, PA3, PA4, RP2, RP3, RP4	Independent
F3	Individual development	ID1, ID2, ID3, ID4, ID5	Independent
F4	Promoting systems	CD2, CD3, CD4	Independent
F5	Organizational development	OD3, OD4, OD5	Independent
F6	Career development	CD1, CD5	Independent

Source: Conducted by authors, 2020

Table 8 Correlation of new variables

		F1	F2	F3	F4	F5	F6
F1	Pearson Correlation	1	.281**	.446**	.340**	.204*	.421**
	Sig. (2-tailed)		.001	.000	.000	.022	.000
	N	126	126	126	126	126	126
F2	Pearson Correlation	.281**	1	.470**	.413**	.431**	.343**
	Sig. (2-tailed)	.001		.000	.000	.000	.000
	N	126	126	126	126	126	126
F3	Pearson Correlation	.446**	.470**	1	.310**	.314**	.431**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	126	126	126	126	126	126
F4	Pearson Correlation	.340**	.413**	.310**	1	.336**	.307**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	126	126	126	126	126	126
F5	Pearson Correlation	.204*	.431**	.314**	.336**	1	.368**
	Sig. (2-tailed)	.022	.000	.000	.000		.000
	N	126	126	126	126	126	126
F6	Pearson Correlation	.421**	.343**	.431**	.307**	.368**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	126	126	126	126	126	126

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Conducted by authors, 2020

In Table 8, the results show Sig values are around 0, smaller than 5%, which means that linear correlation is weak. Sig values of dependent variable (F1) are smaller than 0.05, so the dependent variable has linear correlation with independent variables. Among each pair of independent variables, Sig values are smaller than 0.05 and Pearson correlation figures are high, so multi-collinear might happen. However, there is not enough evident to determine whether the multi-collinear exists among variables or not, so it needs variance inflation factor (VIF) in the next part.

As in Table 9, the Adjusted R Square value = 0.262 means that 26.2% of the variation of consultants' inherent attitude and ability is explained by the factors included in the model. Normally, researchers expect this value over 0.5, which indicates the suitability of applying this model in larger population. However, R Square value also depends on the sample size and the characteristics of the research. For such topic include complex context, including noise variances like psychology, behavior, human being, R Square values normally under 0.5. This research based on survey conducted in a company only which has limited population, so this adjusted R square value is acceptable. This point opens the new direction for research since there may be other factors affecting the consultants' performance, which needs to be studied further. The model summary table also shows the d value of Durbin Watson. Durbin Watson value = 1.747, which means "Do not reject H0: No evidence of autocorrelation". This is a good signal in the model since there is no linear correlation in the model. Table 9 shows the Sig. value = 0.000 <0.05. Thus, evidences in the model are appropriate for the general population.

Table 9 Model summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.540[a]	.292	.262	.80601	1.747

a. Predictors: (Constant), F6, F4, F5, F3, F2

b. Dependent Variable: F1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.075	5	6.415	9.875	.000[b]
	Residual	77.959	120	.650		
	Total	110.034	125			

a. Dependent Variable: F1

b. Predictors: (Constant), F6, F4, F5, F3, F2

Source: Conducted by authors, 2020

Research results

Table 10 Coefficients

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.449	.483		.931	.354		
	F2	-.002	.107	-.002	-.022	.983	.643	1.555
	F3	.373	.118	.293	3.166	.002	.690	1.450
	F4	.170	.080	.186	2.133	.035	.776	1.289
	F5	-.044	.091	-.043	-.484	.630	.740	1.351
	F6	.293	.103	.254	2.842	.005	.737	1.357

a. Dependent Variable: F1

Source: Conducted by authors, 2020

There are two factors with the Sig. value under 0.05 and negative Beta values: F2 and F5. In other words, F2- "Evaluation and reward system" and F5- "Organizational development" have no meaning in the consultant's performance. These are the independent factors that have no effects on employees. No matter how they are improved, with other factors keep instantly, consultants cannot perform better. These factors need eliminating from the model. Whereas, there we have three meaningful variables: F3- "Individual development", F4- "Company policies of promoting", F6- "Career development". It is interesting that all of three factors are the benefits consultants can gain from the job at consultancies. The table shows that F3 group (individual development factors) have the biggest influence on consultants' performance. The table also shows the Beta values of three meaningful factors in the ascending order of F3, F6, F4. The two variables having negative Beta value (F2, F5) were eliminated from the model. This means Individual development is the most important and meaningful factor in the model. It has the highest influence level on dependent variable F1 – Consultants' performance.

Finally, VIF values are used to test the multi-collinearity. Normally, with survey using Likert scale, VIF less than 2 means that there is no multi-collinearity. Thus, multi-collinear does not occur in this model. Last but not least, as the purpose of the research, a regression equation of the model is proposed: **Y= 0.449 + 0.373*F3 + 0.17*F4 + 0.293*F6**

Discussions

Organizational development

Contrast to the initial author's expectation, overserved variables of Organizational development are eliminated from the model and this factor is proved to have no impact on consultants' performance in Vietnam. This result critically argues that

statement by Robbins et al. (2020) that organizational development strives to improve the performance of individuals, groups, and the overall organization. Consulting service have been developed in Vietnam for nearly 30 years, not a long journey as in global market. This service is still a kind of new entrance and have large room to develop further. In fact, big consulting firms in Vietnam are branches of global brands such as Deloitte, KPMG, PwC, EY, McKinsey, and so on. Besides, there are a small market share hold by local firms, whose years of experience are less than the above big companies. In Vietnam, even though they focus in different classes of clients with different industry oriented, they are providing the similar consulting services. Therefore, there is no distinguishable objectives of consultancies that can affect the consultants. They perceive that all consulting firms have the same objective to provide client with high quality of service, then things consultants should focus is to improve their ability to enhance skills, knowledge and service they deliver. This is clearly demonstrated by the results of research that the Beta value of F5 is negative and the sig. value is 0.63. Thus, hypothesis H1 that Organizational development has a positive influence on consultants' performance is rejected.

Career development

Working at consulting firms is perceived to be ensured of career path. There are reasons supporting this perception. Not only consultants have opportunities to develop themselves but they are also provided with a clear career path. Consultants' development is a continuous experience-driven leaning process and the development needs for senior consultants, project leaders and partners should not in underestimated (Domsch, 2006).

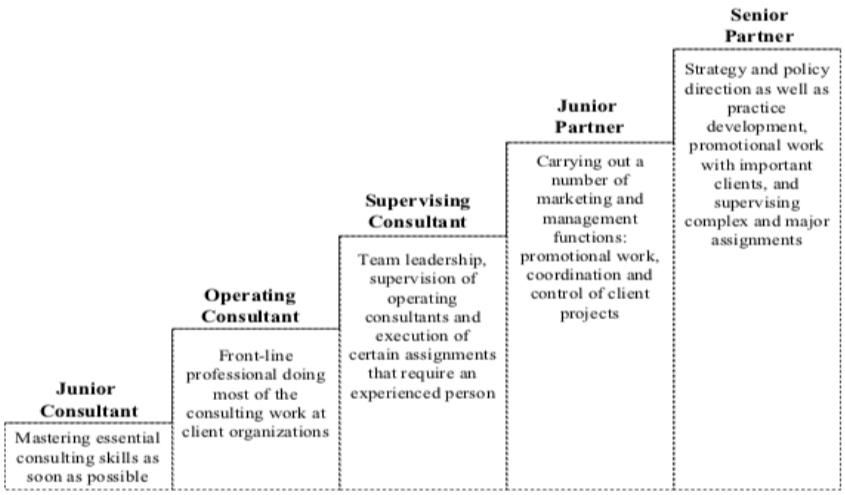

Figure 2 Career Structure in Consulting Firms (Kubr 2002)

As normal career structure described in Figure 2, in consultancies, it usually takes 6-12 years to reach the level of partner. The career path is clear and straight forward with stages. Consultants who have excellent performance can be allowed to skip one or some stages. Fast career progression positively motivates consultants and creates a dynamic and competitive working environment. In order to reach the partner level, any consultant need a long time of gaining experience and hard development. Meanwhile, consultancies provide well development methods and advantageous environment for employees to growth. The research showed that the observed variables of the Career development factor, the variables with the highest factor loading coefficient are CD1 (0.734) and CD5 (0.678) (Each consultant has been introduced clearly about career management and opportunities in the company, The company encourage consultants to reach higher levels in career path). In conclusion, the hypothesis H2 that Career development has a positive influence on consultants' performance is accepted. This is also a significant factor impacting consultants' performance (only after Individual development).

Individual development

It can be seen that the three remaining factors of the model directly connects to consultants' personal benefits, especially individual development. Actually, when being asked the reason why consultants choose their jobs, the most popular answer refers to chances of developing professional skills and broadening their knowledge as development programs in consulting firms are perceived to be valuable for individuals' improvement. All of respondents agree that training and developing programs delivered by their firms have not only helped them manage their work well, but also useful and applicable in other jobs even after they leave firms. This fact is in compliance with argument of Sung & Choi (2014) that corporate investment in the training, education and organizational learning have potential to enhance the innovative performance. Along with the changes in economy, requirements of consulting jobs become more complex, which challenge consultants' ability. They cannot rely on the inherent knowledge but must improve themselves day-by-day. This is more clearly demonstrated when in the observed variables of the Individual development factor, the variable with the highest factor loading coefficient (0.736) is ID1 and ID3 (Training and development programs adapt individuals' requirements; The training and development programs at consultancies is applicable to improve working results). Thus, Hypothesis H3 that Individual development has a positive influence on consultants' performance is accepted. This is also the most significantly impactful factors on the Consultants' performance.

Performance appraisal system

In the beginning, the author raised the hypothesis of the relationship between consultants' performance and the performance appraisal system. There are

many arguments that the fair and clear performance appraisal may be motivation to boost employees' enthusiastic to work. However, the research proved a contrast fact. The Performance appraisal system factor is eliminated from the model as it has negative Beta value and too high sig. value (0.983). Iqbal et al. (2013) stated that there is a significant relationship exist between performance appraisal and employees' performance. Employees those feel that the results of performance appraisal are unfair they often leave the organization and their morale and involvement will let down. Consultants have ability to choose other jobs if they feel uncomfortable or unfair. In reality, rather than being impacted by companies' unfair policies, they choose to quit their job. Hypothesis H4 that Fair and clear performance appraisal system positively influence consultants' performance is rejected. The observed variables of this factor are removed from the model.

Rewarding system

Last but not least, rewarding, which is an important working objective of any employees, is proved to be significant factor influencing consultants' performance in Vietnam. According to the Need Hierarchy of Maslow, the highest demand of human is recognition, particularly in job, it is reflected by promotion and rewarding decisions. Almost respondents in the research told that they were attracted by the promoting policies of consultancies before deciding to join these companies. Rewarding is known as an effective method to encourage and motivate employees. In consultancies, rewarding is not limited by financial benefits but also includes prizes, certificate, promotion and so on. These kinds of reward encourage consultants to perform their highest ability to win other recognition as well as get the respect of people. This result is similar to Barber & Bretz (2000) that reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance. As the rewards are decided based on the consultants' performance, they tend must increase their quality as highest as possible to increase rewards they receive. This is demonstrated by the value of the variable RP3's loading factor at 0.858 (regarding Reward and promotion are decided based on working performance (productivity and effectiveness). Therefore, hypothesis H5 that Rewarding system have a positive influence on consultants' performance is accepted.

Managerial implications

As mentioned above, three factors that significant influence consultants' performance are Individual development, Career opportunities and Promotion policies. For Individual development, one of the most common reasons for being a consultant is the opportunities to development themselves to be professional and skillful. Since consulting jobs require intensive knowledge with years of experience, people who have plan to work in this field must sharpen their ability and improve to reach higher level. HR and learning

teams can put many efforts on learning materials so that all the consultants are well equipped with necessary knowledge and skills when working. Training and development programs are arranged frequently but still suitable for each individual's schedule, the content is updated consecutively by consultants with valuable experience. For Career opportunities, firms can provide consultants with chances of job rotation and even internationally exchanging. Experiencing in different positions, service lines and work places help consultants find out their strength and interest. This fact motivates consultants to work better and get the chance for experiencing. Besides, career path should be clear and well oriented for them to know as well as have plans to develop. For Promotion policies, this factor directly relates to consultant's performance since their performance is the criteria for promotion decisions. In fact, consultants who have distinguished performance can move on track faster than others, which is called "fast track". This policy is advantageous for motivation so that consultants are inspired to perform better as promotion policies is associated with performance appraisal.

Conclusion, limitation and direction for future research

The research pointed out three common factors in HRD affecting consultant's performance in Vietnam: individual development, career opportunities and company's policies for rewarding and promoting. Among three factors, individual development was found to be most meaningful to improve consultants' performance. All of these factors are benefits that individuals can gain from consultancies and consulting jobs. In other words, they significantly affect consultants' performance. Once other conditions being equal, well-trained consultants are more effective and productive than others; consultants who are motivated by attractive promoting policies also perform better than who are not; and consultants who are have an intention to gain experience are also more effective and productive than apathetic ones. If one of these factors is missing, there is a negative impact upon individual and organizational performance.

However, this paper cannot argue that effective HRD can guarantee organizational success and prevent company from dramatically decrease in quality or failure of consultants. This suggests that even though HRD has a particularly important role to play in improving the contribution of human resources, it should not be perceived as a panacea for all problems related to consultants' performance. It means that HRD is not the only solution for improving individual and organizational performance. Beside to three identified factors, there are existing variables may matter consultants' performance, which need to be further studied. The present study extends previous researches in HRD in consulting firms, not all sectors in the economy. It is an important step

forward in understanding the factors that influence the effectiveness of HRD practices, which subsequently affect both individual and organizational performance.

Since the main focus of this study is to develop a framework for human resource development and consultants' performance, future research should be directed at applying the framework in assessing the effectiveness of HRD in the consulting firms and the influence of HRD on the performance management in the organization.

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