Chapter 1

Introduction
1. INTRODUCTION:

Human Resource plays an active role in the modern economic scenario of any country and their development in the organizational context is a process by which the employees of an organization are helped in a continuous and a planned way to: (a) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles; (b) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development processes; and (c) Develop an organizational culture in which supervisor-subordinate relationships, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees. Climate is helpful in the fulfillment of committed goals of an individual, organization and society. It increases the capabilities and efficiency of an individual which is likely to reflect itself in the long run in the well-being of the individual good reputation of the institution and ultimately the well-being of the society. However, the nature of efforts and investments in developing human resources may vary from organization to organization depending on its need, nature of capabilities the organization wants to build up, the change process and the size of the organization etc.

Human Resource Development (HRD) is an important and very attention receiving discipline of present time. It is a relatively young academic discipline but an old and well-established field of practice. Researchers have developed new theories and conceptual frameworks that address a broad range of phenomena of interest to the HRD profession. A key area of inquiry has been to try and figure out the current boundaries of HRD but defining HRD has not been so straightforward, and the writers and researchers are continuously debating the issue, and there seems to be no consensus, despite of the fact that numerous efforts have been made to define HRD.

According to T.V. Rao (1995) the scope of HRD is extended, at one side, to develop competencies of human resource by enhancing knowledge, building skill, changing attitude and teaching values, and at other side, creation of conditions through public policy, programs and other interventions to help people to apply these competencies for their own and others’ benefits and making things happen.
1.1 HUMAN RESOURCE MANAGEMENT:

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.

HRM is the personnel function which is concerned with procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishments of the organization’s objectives. Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions.

According to the Invancevich and Glueck “HRM is concerned with the most effective use of people to achieve organizational and individual goals. It is the way of managing people at work, so that they give their best to the organization”.

According to Dessler, The policies and practices involved in carrying out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising comprises of HRM.

Generally HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization’s objectives. The goal of HRM is to maximize employees’ contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility). In short Human Resource Management (HRM) can be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.
1.2 NATURE OF HRM:

HRM is a management function that helps manager’s to recruit, select, train and develop members for an organization. HRM is concerned with people’s dimension in organizations.

The following constitute the core of HRM

1. HRM Involves the Application of Management Functions and Principles

The functions and principles are applied to acquire, develop, maintain and provide remuneration to employees in an organization.

2. Decision Relating to Employees must be integrated

Decisions on different aspects of employees must be consistent with other human resource (HR) decisions. Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.

HRM Functions are not confined to Business Establishments Only but applicable to no business organizations such as education, health care, recreation and like. HRM refers to a set of programmers, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

1.3 SCOPE OF HRM:

The scope of HRM is indeed vast. All major activities in the working life of a worker from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.
American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM like Human Resource Planning, Design of the Organization and Job, Selection and Staffing, Training and Development, Organizational Development, Compensation and Benefits, Employee Assistance, Union/Labour Relations, Personnel Research and Information System.

a) Human Resource Planning

The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource. There upon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the manpower requirement.
b) Design of Organization and Job

This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by “job description”. Another important step is “Job specification”. Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

c) Selection and Staffing

This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

d) Training and Development

This involves an organized attempt to find out professional needs of the individuals to meet the knowledge and skill which is needed not only to perform the present job but also to fulfill the future needs of the organization.

e) Organizational Development

This is an important aspect whereby “Synergetic effect” is generated in an organization i.e. healthy interpersonal and intergroup relationship within the organization.

f) Compensation and Benefits

This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition to this labour welfare measures are involved which include benefits and services.

g) Employee Assistance

Each employee is unique in character, personality, expectation and temperament. Every one face unique problems, which are personal sometimes official. If they worry they can’t produce effective output of their work. Such worries must be removed to make him or her more productive and stress free.
h) Union Labour Relations

Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

i) Personnel Research and Information System

Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behaviour. Advancement of technology of product and production methods have created working environment which are much different from the past.

Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation.

HRM is a broad concept; personnel management (PM) and Human resource development (HRD) are a part of HRM.

The scope of Human Resources Management extends to:

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.

- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

1.4 OBJECTIVES OF HRM:

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:
1) Human capital: Assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals.

2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently.

3) Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.

4) Helping to establish and maintain a harmonious employer/employee relationship.

5) Helping to create and maintain a safe and healthy work environment.

6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees.

7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation).

8) To help the organization to reach its goals.

9) To provide organization with well trained and well motivated employees.

10) To increase the employees satisfaction and self actualization.

11) To develop and maintain the quality of work life.

12) To communicate HR policies to all employees.

13) To help maintain ethical polices and behavior.
The above stated HRM objectives can be summarized under four specific objectives: societal, organizational, and functional and personnel.

1) **Societal Objectives**: Seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society’s benefit in ethical ways may lead to restriction.

2) **Organizational Objective**: It recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.

3) **Functional Objectives**: It maintains the department’s contribution at a level appropriate to the organization’s needs. Human resources are to be adjusted to suit the organization’s demands. The department’s value should not become too expensive at the cost of the organization it serves.

4) **Personnel Objectives**: It is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual’s contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.
Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and significance of human resources management. The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM. For example personal objectives are sought to be realized through functions like remuneration, assessment etc.

1.5 FUNCTIONS OF HRM:

HR management can be thought of as seven interlinked functions taking place within organizations, external forces legal, economic, technological, global, environmental, cultural/geographic, political, and social significantly affect how HR functions are designed, managed, and changed. The functions can be grouped as follows:

**Strategic HR Management**

As a part of maintaining organizational competitiveness, strategic planning for HR effectiveness can be increased through the use of HR metrics and HR technology. Human resource planning (HRP) function determine the number and type of employees needed to accomplish organizational goals. HRP includes creating venture teams with a balanced skill-mix, recruiting the right people, and voluntary team assignment. This function analyzes and determines personnel needs in order to create effective innovation teams. The basic HRP strategy is staffing and employee development.

**Equal Employment Opportunity**

Compliance with equal employment opportunity (EEO) laws and regulations affects all other HR activities.

**Staffing**

The aim of staffing is to provide a sufficient supply of qualified individuals to fill jobs in an organization. Job analysis, recruitment and selection are the main functions
under staffing. Workers job design and job analysis laid the foundation for staffing by identifying what diverse people do in their jobs and how they are affected by them. Job analysis is the process of describing the nature of a job and specifying the human requirements such as knowledge, skills, and experience needed to perform the job. The end result of job analysis is job description. Job description spells out work duties and activities of employees. Through HR planning, managers anticipate the future supply of and demand for employees and the nature of workforce issues, including the retention of employees. So HRP precedes the actual selection of people for organization. These factors are used when recruiting applicants for job openings. The selection process is concerned with choosing qualified individuals to fill those jobs. In the selection function, the most qualified applicants are selected for hiring from among the applicants based on the extent to which their abilities and skills are matching with the job.

**Talent Management and Development**

Beginning with the orientation of new employees, talent management and development includes different types of training. Orientation is the first step towards helping a new employee to adjust himself to the new job and the employer. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours and company rules and expectations. Training and Development programs provide useful means of assuring that the employees are capable of performing their jobs at acceptable levels and also more than that. All the organizations provide training for new and inexperienced employee. In addition, organization often provide both on the job and off the job training programmes for those employees whose jobs are undergoing change.

Likewise, HR development and succession planning of employees and managers are necessary to prepare for future challenges. Career planning has developed as result of the desire of many employees to grow in their jobs and to advance in their career. Career planning activities include assessing an individual employee’s potential for growth and advancement in the organization.
Performance appraisal includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes. This function monitors employee performance to ensure that it is at acceptable level. This strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability. What kind of tasks should be appraised and who should assess employees’ performance are also taken into consideration.

**Total Rewards**

Compensation in the form of pay, incentives and benefits are the rewards given to the employees for performing organizational work. Compensation management is the method for determining how many employees should be paid for performing certain jobs. Compensation affects staffing in that people are generally attracted to organizations offering a higher level of pay in exchange for the work performed. To be competitive, employers develop and refine their basic compensation systems and may use variable pay programmes such as incentive rewards, promotion from within the team, recognition rewards, balancing team and individual rewards etc. This function uses rewards to motivate personnel to achieve an organization’s goals of productivity, innovation and profitability. Compensation is also related to employee development in that it provides an important incentive in motivating employees to higher levels of job performance to higher paying jobs in the organization. Benefits are another form of compensation to employees other than direct pay for the work performed. Benefits include both legally required items and those offered at employer’s discretion. Benefits are primarily related to the area of employee maintenance as they provide for many basic employee needs.

**Risk Management and Worker Protection:**

HRM addresses various workplace risks to ensure protection of workers by meeting legal requirements and being more responsive to concerns for workplace health and safety along with disaster and recovery planning.
Employee and Labor Relations

The relationship between managers and their employees must be handled legally and effectively. Employer and employee rights must be addressed.

It is important to develop, communicate, and update HR policies and procedures so that managers and employees alike know what is expected. In some organizations, union/management relations must be addressed as well. The term labour relation refers to the interaction with employees who are represented by a trade union. Unions are organization of employees who join together to obtain more voice in decisions affecting wages, benefits, working conditions and other aspects of employment. With regard to labour relations the major function of HR personnel includes negotiating with the unions regarding wages, service conditions and resolving disputes and grievances.

1.6 ROLE OF HRM:

The role of HRM is to plan, develop and administer policies and programs designed to make optimum use of an organizations human resources. It is that part of management which is concerned with the people at work and with their relationship within enterprises. Its objectives are: (a) effective utilization of human resources, (b) desirable working relationships among all members of the organizations, and (c) maximum individual development. Human resources function as primarily administrative and professional.

HR staff focused on administering benefits and other payroll and operational functions and didn’t think of themselves as playing a part in the firm’s overall strategy. HR professionals have an all encompassing role. They are required to have a thorough knowledge of the organization and its intricacies and complexities. The ultimate goal of every HR person should be to develop a linkage between the employee and organization because employee’s commitment to the organization is crucial.

The first and foremost role of HR personnel is to impart continuous education to the employees about the changes and challenges facing the country in general and their organization in particular. The employees should know about the balance sheet of the
company, sales progress, and diversification of plans, share price movements, turnover and other details about the company. The HR professionals should impart such knowledge to all employees through small booklets, video films and lectures.

The primary responsibilities of Human Resource managers are:

- To develop a thorough knowledge of corporate culture, plans and policies.
- To act as an internal change agent and consultant.
- To initiate change and act as an expert and facilitator.
- To actively involved in company’s strategy formulation.
- To keep communication line open between the HRD function and individuals and groups both within and outside the organization.
- To identify and evolve HRD strategies in consonance with overall business strategy.
- To facilitate the development of various organizational teams and their working relationship with other teams and individuals.
- To try and relate people and work so that the organization objectives are achieved efficiently and effectively.
- To diagnose problems and determine appropriate solution particularly in the human resource areas.
- To provide co ordination and support services for the delivery of HRD programmes and services.
- To evaluate the impact of an HRD intervention or to conduct research so as to identify, develop or test how HRD in general has improved individual and organizational performance.

1.7 HRM IN THE NEW MILLENNIUM:

Human Resources have never been more indispensable than today. The competitive forces that we face today will continue to face in the future demanding organizational excellence. In order to achieve this extended quality, organization’s need to focus on learning, quality development, teamwork, and reengineering. These factors are driven by the way organizations implement things and how employees are treated.
1. **HR Can Help in Dispensing Organizational Excellence**

To achieve this paradigm shift in the organization excellence there is a need for organizations to reform the way in which work is carried out by the Human Resource department. By designing an entirely new role and agenda that results in enriching the organization’s value to customers, investors and employees, HR can help in delivering organizational excellence.

This can be carried out by helping line managers and senior managers in moving planning from the conference room to the market place and by becoming an expert in the way the work is organized and executed. HR should be a representative of the employees and should help the organization in improving its capacity for change. HR will help the organizations in facing the competitive challenges such as globalization, profitability through growth, technology, intellectual capital, and other competitive challenges that the companies are facing while adjusting to uncontrollably challenging changes in business environment. The novel role of HR is to rapidly turn strategy into action; to manage processes intelligently and efficiently; to maximize employee contribution and commitment and to construct favorable conditions for flawless change.

2. **Human Resource should be a Strategy Partner**

HR should also become a partner in strategy executions by propelling and directing serious discussions of how the company should be organized to carry out its strategy. Creating the conditions for this discussion involves four steps. First HR need to define an organizational architecture by identifying the company’s way of doing business. Second, HR must be held responsible for conducting an organizational audit.

Third, HR as a strategic partner needs to identify methods for restoring the parts of the organizational architecture that need it. The Final step is, HR must take stock of its own work and set clear priorities. In their new role as administrative experts they will need to shed their traditional image and still make sure all routine work for the company is done well.
3. **HR Accountability should be fixed to Ensure Employee Commitment**

HR must be held accountable for ensuring that employees feel committed to the organization and contribute fully. They must take responsibility for orienting and training line management about the importance of high employee morale and how to achieve it. The new HR should be the voice of employees in management discussions. The new role for HR might also involve suggesting that more teams be used on some projects or that employees be given more control over their own work schedules.

4. **The New HR Must Become a Change Agent**

The new HR must become a change agent, which is building the organization’s capacity to embrace and capitalize on change. Even though they are not primarily responsible for executing change it is the duty of the HR manager to make sure that the organization carries out the changes framed for implementation.

5. **Improving the Quality of HR**

The most important thing that managers can do to drive the new mandate for HR is to improve the quality of the HR staff themselves. Senior executives must get beyond the stereotypes of HR professionals as incompetent support staff and unleash HR’s full potential.

6. **Change in Employment Practices**

The balance sheet of an organization shows human resource as an expense and not as a Capital. In the information age, it is perceived that the machines can do the work more efficiently than most people however; technology to work is dependent on people.

The challenges for Employment Practice in the New Millennium will require that there should be strategic involvement of the people and labour-management partnerships as they both have to take organization ahead.
7. Benchmarking Tool must be mastered by HR Professionals

HR professionals must master benchmarking, which is a tool for continuous improvement, directing the human side associated with the strategic path adopted by the organization. Through this, HR department will start appreciating the changes happening within and outside the environment while expanding the knowledge about how to add value to decision making at the highest level of the organization.

8. Aligning Human Resources to Meet Strategic Objectives Better

Too often organizations craft their strategy in a vacuum. Some organizations don’t even include key people during strategy formulation resulting in lacunae between the actual problems and the solutions implemented- as critical inputs are not sought from those individuals who are supposed to implement the new strategies.

A past CEO of Sony once said that organizations have access to the same technology and the same information. The difference between any two organizations is the “people”- the human resource. Empowering the workforce is an essential tool for aligning human resources with the achievement of corporate objectives.

It is the duty of HR manager to hire talented human resource and to provide them with a positive environment where they will be able to utilize their skills and potentials and to create an environment in which these individuals are comfortable taking risks.

9. Promote From Within and Invest in Employees

Promoting employees from within sends a powerful message that the organization’s employees are valued. New blood and fresh ideas often come from newcomers to the organization are preferred. To avoid stagnation of the firm, new ideas and approaches are critical. Yet to improve employee morale, promoting individuals from within the organization is essential. This communicates that the organization values their employees and invests in their human resources.
10. Review the Recruitment and Selection Process

A key element of human resource planning is ensuring that the supply of appropriate employees (with the right skill mix) is on board when needed. This requires a proactive approach whereby the organization anticipates its needs well in advance. It is important to identify the competencies being sought. That is, the criteria upon which selection decisions are to be made should be decided in advance. A firm must identify those skill sets required by employees to be successful. Charles O’Reilly suggests that companies should hire for attitude (perhaps even more so than technical skills). That is, the fit of the individual with the values of the organization and the culture of the firm should also be considered when selecting employees. This has been referred to as the person-organization fit. It is no longer enough to simply consider the person’s fit (and technical skill set) with the job. Part of the employee’s fit with the organization should focus on the core values and beliefs of the organization. This will increase employees’ contributions to the overall success of the organization if they already embrace the core values of the organization prior to their selection.

11. Communicate Mission and Vision:

If employees are expected to contribute to the attainment of the organization’s strategic objectives, they must understand what their role is. This can be achieved in part by clearly communicating the mission and vision statements of the firm.

A clear Mission is important to reach the ultimate goal of a firm. The mission communicates the identity and purpose of the organization. It provides a statement of who the firm is and what their business is. Only those employees who understand this purpose can contribute to the fullest extent possible. The vision statement provides a picture of the future state of the firm. This keeps all the organization’s employees pulling in the same direction with a common end point.

It is much easier to align human resources with corporate objectives when these employees are familiar with the mission and vision of the firm. As the mission and vision statements are articulated, organizational members begin to embrace their very meaning on an individual level. These statements provide a road map leading employees down the road.
to achieve organizational objectives. Employees then identify how they can contribute their unique talents toward the attainment of these goals.

12. Use Teams to Achieve Synergy

Synergy can be concisely defined as “two plus two equals five”. In other words, the whole is greater than the sum of the parts. So much can be achieved as people work together. Through the effective use of teams, organizations can often achieve synergy. Team goals, however, must be aligned with the organization’s strategic objectives. Aligning team objectives with overall corporate objectives ensures that people are working toward the same goal.

1.8 MEANING OF HUMAN RESOURCE DEVELOPMENT:

According to the American Society of Training and Development (ASTD), HRD is the integrated use of training and development, organizational development, and career development to improve individual group, and organizational effectiveness. Society is facing with new challenges and changes daily which increases the need to provide employees with appropriate learning experiences. Moreover, HRD helps organizations to provide learning related to the goals of the organization and to its employees. This learning is accomplished by providing training, education, and development. According to Leonard Nadler, author of Developing Human Resources,

- Training is a learning activity provided by employers to employees, to help them perform their current jobs more efficiently.
- Education focuses on learning designed to prepare an individual for a job different than the one currently held; and Development focuses on providing knowledge or skills within a specified area, but is not necessarily job related.

The role of HR is to increase the profit of the organization. Development means acquisition of capabilities that are needed to do the present job, or the future expected job. After analyzing Human Resource and Development we can simply state that, HRD is the process of helping people to acquire competencies. Climate is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the
organization conduct themselves with outsiders. “Organizational Climate is a set of characteristics of an organization which are referred in the descriptions employees make of the policies, practices and conditions which exist in the working environment”.

An organization becomes dynamic and growth oriented if their people are dynamic and pro-active. Through proper selection of people and by nurturing their dynamism and other competencies an organization can make their people dynamic and pro-active. To survive it is very essential for an organization to adopt the change in the environment and also continuously prepare their employees to meet the challenges; this will have a positive impact on the organization. The following are essentials to develop Organizational Climate in Organization.

1. **Top to Bottom Effort**

   Organization is considered to be complete decentralization of responsibilities of worker and whenever we talk about development at organizational level effort is needed from top level to bottom level. Higher authority not only takes decisions but also they emphasize on proper implementation of decision by adopting various controlling technique. Lower level workers should have loyal mind-set towards their organization. Bottom level workers have to work with dedication. They should feel the Organization is of their own.

2. **Motivating Role of The Manager and The Supervisor**

   To create Human Resource Development Climate, Manager and Supervisor play a key role. Manager and Supervisors have to help the employees to develop their competencies. To help the employees at lower level they need to update the professional skills properly and they need to share their expertise and experience with employees.

3. **Faith Upon Employees**

   In the process of developing HRD Climate employer should have faith on his employee’s capabilities. Top level management should have trust on employees regarding their capabilities and should encourage their pro-activeness an all respects. Employees must be given awards and rewards for their innovative and dedicated performance.
4. **Free Flow of Expression**

   Exchange of Information regarding the administration and performance of employees should be communicated between the employer and employees. Clear communication process will help to establish the HRD Climate.

5. **Feed back**

   Feedback should be taken regularly to know the drawbacks in the system. This will help to gain confidence in employees mind. Employee will trust the management. Feedback will help to remove the weakness.

6. **Coordinating & Cooperation among Employees**

   Whenever we talk about Success, it includes the team work of employees. Organization cannot stand as sole entity but it is a whole entity. There should be coordination among employees to reach the organizational goals.

7. **Supportive Personnel Management**

   Personnel policies of organization should motivate employees to contribute more from their part. Top management’s philosophy should be clear towards Human Resource and its well being to encourage the employees.

8. **Encouraging and Risk Taking Experimentation**

   Employees should be motivated by giving them authority to take decision. This concept is risky but gradually it will bring expertise in employees to handle similar situation in future. It will help to develop confidence in employees mind. Organization can utilize and develop employees more by assigning risky task.

9. **Discouraging Stereotypes and Favouritism**

   Management need to avoid those practices which lead to favouritism. Management and Managers need to give equal importance. Those people who are performing good they need to appreciate and those who are not performing well they need to be guided. Any kind of partial its towards should be avoided.
10. Team Spirit

There must be feeling of belongingness among the employees, and also willingness to work as a team is necessary to make the work professional.

1.9. CONCEPTS OF HRD:

HRD is mainly concerned with developing the skills, knowledge and competencies of people and it is people-oriented concept. When we call it as a people-oriented concept the question of people being developed in the larger or national context or in the smaller organizational context? Is it different at the macro and micro level? HRD can be applied both for the national level and organizational level. But many personnel managers and organizations view HRD as synonymous to training and development. Many organizations in the country renamed their training departments as HRD departments. Surprisingly some organizations renamed their personnel department as HRD departments. Some educational, institutions started awarding degrees and diplomas in HRD even though the concept is not yet crystal clear. HRD from organizational point of view is a process in which the employees of an organization are helped/motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities, and mould the values, beliefs, attitude necessary to perform present and future roles by realizing highest human potential with a view to contribute positively to the organizational, group, individual and social goals.

1.10 HRD SYSTEMS:

HRD functions are carried out through its systems and sub systems. HRD has five major systems and each of the systems has sub systems as elaborated below: the first three systems viz., Career system, Work system and Development system, are individual and team oriented while the fourth and the fifth systems viz. Self renewal system and Culture Systems are organization based.

1. Career system:

As an HRD system, career system ensures attraction and retention of human resources through the following sub-systems.

- Manpower planning
2. Work system: Work-planning system ensures that the attracted and retained human resources are utilized in the best possible way to obtain organizational objectives. Following are the sub systems of the work planning system.

- Role analysis
- Role efficacy
- Performance plan
- Performance Feedback and Guidance
- Performance Appraisal
- Promotion
- Job rotation
- Reward

3. Development system: The environmental situation and the business scenario is fast changing. The human resources within the organization have to raise up to the occasion and change accordingly if the organization wants to be in business.

The development system ensures that the retained (career system) and utilized (work system) human resources are also continuously developed so that they are in a position to meet the emerging needs of the hour. Following are some of the developmental sub - systems of HRD that make sure those human resources in the organization are continuously developed.

- Induction
- Training
- Job enrichment
- Self-learning mechanisms
- Potential Appraisal
- Succession Development
- Counseling
- Mentor System
4. **Self renewal system:** It is not enough to develop individuals and teams in the organizations but occasionally there is a need to renew and rejuvenate the organization itself. Following are some of the sub systems that can be utilized to renew the organization.

- Survey
- Action Research
- Organizational Development Interventions
- Organizational Retreats

5. **Culture system:** Building a desired culture is of paramount importance in today’s changed business scenario. It is the culture that will give a sense of direction, purpose, togetherness, and teamwork. It is to be noted that whether an organization wants it or not along with the time common ways of doing things (culture) will emerge. If not planned carefully and built systematically such common traits may not help the business but may become a stumbling block. Hence it is very important to have cultural practices that facilitate business. Some of the culture building subsystems are given below:

- Vision, Mission and Goal
- Values
- Communication
- Get-togethers and Celebrations
- Task forces
- Small Groups

1.11 **HRD PROCESSES:**

HRD is a process-oriented function. HRD functions in many organizations fail because the processes involving the systems are not adequately addressed. The concept of process essentially concerns the question of “how” and to a great extent the question of “why”. It emphasizes the behavioral and interactional dimensions. All the HRD processes are centered on four constituents of an organization viz, the employee, role, teams and the
organization itself. Each of the unit has its own behavioural patterns and framework, which, if not addressed adequately may not bring in the desired outcomes.

It is through these processes that the HRD systems are effectively implemented. Implementations of the HRD systems are, in turn indenteded to bring in right processes in organizations. Hence HRD systems and HRD processes are closely linked. Their relationships are well explained by T.V. Rao (1990).

1. **Individual**: Individual is the basic constituent of an organization. All the behavioural pattern and dynamisms emerge from individuals. Hence individual based HRD process explained below are vital for HRD function and for implementation of the HRD systems.
   - Efficacy
   - Effectiveness
   - Styles
   - Leadership

2. **Role**: Role is a dynamic entity which involves the expectations of significant others and self from the position of the role holder. A large number of behavioural patterns and dynamism in organizations are centered on the roles. The role occupier and all others who have some linkage or relationship to that role form a constituent. Following are some of the role related, HRD processes in organizations.
   - Competencies for job performance
   - Commitment
   - Motivation
   - Frustration
   - Stress & Burnout

3. **Teams**: Work in organizations is performed through teams or groups. When individuals begin to work in team, behavioural patterns and dynamisms emerge. Following HRD processes are to be addressed if team work should bring in the desired results.
Communication
Feedback
Conflict Resolution
Collaboration

4. **Organization:** A large number of HRD processes are organization related. Unless and until these processes are in place, HRD cannot take off. However, in a number of organizations as a result of implementation of HRD systems, these processes were set Right. HRD systems can contribute towards the development and maturity of these processes.

- Organizational Climate
- Communication
- Learning Organization
- Organizational Change
- Organizational Development

Human resources development is a continuing process comprising three interdependent components:

- Investment in human resources to enhance productive capabilities.
- Utilization of those human resources to produce increased output.
- Participation of the human beings who have improved resources (better education, better skills levels etc.) In the consumption of that increased output through a better quality of life.

**Figure 1.3: Investment in Human Resources**

![Image of Investment in Human Resources](image-url)
Sustainable human resources development must involve all the three components, as seen in the diagram above. At a national level, investment in human resources must be turned into effective utilization of those human resources if national output is to be increased on a sustainable basis. At an individual level, investment in human resources improves earning capabilities. Therefore individuals and families have more money to do many things including pay for their own further skills development.

There is a very strong link between investing in human resources development and improvements in the quality of life. Improvements in nutrition, health and education are key elements of an improved quality of life and must be considered important investments in human resources, particularly in developing countries. Human beings cannot be developed if they do not have enough food, are in poor health or cannot read or write. For developing countries, it is extremely important that all members of the society have access to human resource development activities, especially the poor, women and populations in rural areas.

Participation and choice are key elements in this view of human resource development. The financial reward obtained from participation in production activity is the main way that individuals are able to participate in the quality-of-life benefits that are created by development. Increased job satisfaction and a sense of personal worth arising from increased productivity are also very important contributions to quality of life.

The enhanced capabilities created by development enlarge the choices made available to both individuals and nations.

Historically, HRD has referred to developing human resources in order to increase economic productivity and therefore a nation’s wealth that is, very closely linked with economic outputs. However, within current definitions and discussions, especially in the context of developing countries, there is more emphasis on the human aspects of HRD. So, in the development context the meaning of the term’s human resources development and human development are very much interconnected.
1.12 FRAMEWORK OF HUMAN RESOURCE DEVELOPMENT:

HRD aims at achieving higher and fuller development and utilization of human resource potential and for that purpose creating appropriate environment, values and culture for HR growth in organizational context. The structures, systems and techniques used by an organization to help employees acquire and strengthen their capabilities are called HRD mechanisms which facilitate favorable HRD climate in the organizations. However organizations differ in the extent to which they are successful in promoting favorable HRD climate and hence a comparative study based on a comprehensive measure of HRD climate in Indian Information Technology industry is highly desirable.

HRD climate helps the employees to acquire required competencies that would enable them to execute their present or future expected roles and aids in developing their capabilities for better Organizational Performance. Though the measures of Organizational Performance are many ranging from financial to behavioral ones’.

The positive HRD climate renders the existing systems more effective and makes the organizations more receptive to the introduction of relevant additional system. Organizations differ in the extent to which they have these tendencies. Some organizations may have some of these tendencies, some others may have only a few of these and a few may have most of these.

HRD is a profession today. It has a body of knowledge and this knowledge is transferred to younger generations through management institutions in India. By now HRD is a well-recognized function in the organizations. HRD has professional bodies supporting its knowledge generation, knowledge dissemination and capacity building in organizations. HRD has also generated consulting firms which provide exclusive HRD service for organizations in need. Thus HRD is a well recognized profession in India today. The subsequent topics of this chapter take the readers through various aspects of this profession.
**WHAT IS HRD?**

HRD is based on the two assumptions: HRD makes sense only when it contributes towards business improvement and business excellence. HRD also strongly believe that good people and good culture make good organizations.

HRD means building:

- Competency in people
- Commitment in people
- Culture in the organization

HRD means building competencies. The most important HRD function is to build competencies in each and every individual working in an organization. Competencies are to be built and multiplied in roles and individuals. HRD means building commitment in people. Competencies will not make sense without commitment. Think of an organisation where all the employees are competent but not willing to put into use their competencies. Hence, competencies without commitment will not contribute towards

Effectiveness of HRD is all about building a development culture in an organization. HRD ensures that culture building practices are adopted from time to time to create a learning environment in the organization. It builds such a culture that the built-in culture in turn will build competencies and commitment in the people who work with the organization.

HRD can be defined as the branch of human resources management function that endeavors to build competencies, commitment and a learning culture in organizations with the purpose of bringing in competitive advantages to achieve business excellence in all its operations.

**1. 13 THEORETICAL FRAMEWORK OF HRD:**

The Human Resource Development as a Function has evolved in India very indigenously from the year 1975 when Larsen and Toubro Company conceptualized
HRD as an integrated system and decided to separate it from Personnel. Since then, in the last 25 years most organizations have started new HR Departments or re designated their Personnel and other departments as HRD Departments. Today there are high expectations from HRD. Good HRD requires well structured function and appropriately identified HRD systems, and competent staff to implement and facilitate the change process. In 1975 Larsen & Toubro a prominent Engineering Company in India had appointed two consultants from the Indian Institute of Management, Ahmadabad to study the performance appraisal system and make recommendations for improving it. The two consultants (Pareek and Rao, 1975) studied the system through interviews etc, and suggested a new system.

Pareek and Rao (1975) recommended that Performance Appraisal, Potential Appraisal, Feedback and Counseling, Career Development and Career Planning and Training and Development get distinct attention as unique parts of an integrated system which we call the Human Resources Development System”.

Pareek and Rao (1977) in their second report of the Human Resources system in L&T recommended that the personnel function be viewed as Human Resources Function (HRF) and suggested a trifurcated function: Personnel Administration, HRD and Worker Affairs. The consultants differentiated the HRD from other components of HRF and also integrated structurally and system-wise. Structurally the HRD is to be a subsystem of HRD and integration of this with the other two subsystems (Personnel Administration and Worker Affairs) to be done by the Director level person (for example Vice-President Personnel & HRD), through task forces and sub-system linkages. Inter system linkages were outlined between various HRD subsystems to have an integrated system. The principles designed deal with both the purpose of HRD systems and the process of their implementation.

The following are some of the principles.

1. HRD systems should help the company to increase enabling capabilities. The capabilities outlined in their report include: development of human resources in all aspects, organizational health, improvements in problem solving capabilities,
diagnostic skills, capabilities to support all the other systems in the company, etc.

2. HRD systems should help individuals to recognize their potential and help them to contribute their best towards the various organizational roles they are expected to perform.

3. HRD systems should help maximize individual autonomy through increased responsibility.

4. HRD systems should facilitate decentralization through delegation and shared responsibility.

5. HRD systems should facilitate participative decision-making.

6. HRD systems should attempt to balance the current organisational culture with changing culture.

7. There should be a continuous review and renewal of the function. In sum, the Integrated HRD systems approach of Pareek and Rao (1975) has the following elements:
   - A separate and differentiated HRD department with fulltime HRD staff.
   - Six HRD subsystems including OD.
   - Inter-linkages between the various subsystems.

   Linked to other sub systems of Human Resource Function. After L &T accepted these recommendations in full and started implementing the State Bank of India the single largest Indian Bank and its Associates have decided to use the Integrated HRD systems approach and decided to create new HRD Department. Since then, by mid eighties a large number of organizations in India have established HRD Departments.

1.14. CHALLENGES IN HRD:

   The future looks even more exciting and threatening. Organizations are gearing up for the difficult times ahead by tapping all the resources on hand. Organizations realize that their people or employees would be one of the prime resources for establishing a competitive edge in the future.

   Consequently, organizations would require workable strategies to align the individual talents/strengths of their people towards business goals. This is where Human Resources professionals can play a deciding role. They have to face newer challenges, take up different, unprecedented roles and in the process help the business achieve its goals.
1.15 HRD GOALS:

Employees and organizations will experience inevitable change. Human resource development (HRD) enhances employee competence in their jobs by increasing knowledge, abilities and skills. In this environment, the employee will be primarily responsible for career development but the company will also have responsibilities that include clearly stating the company’s corporate strategy, its goals and providing information about its business. The organizations must follow those types of strategies which help in accomplishing organizational goals with an addition to develop the human resource.

Strategy

The business strategy must be linked with the human resource strategy. It is essential to consider the differing characteristics of people when setting a plan for an organization to follow. The stage of development embryonic, high-growth, matures, or aging that the company will determine the HRD goals. Companies that are just starting out are interested in strong managers. The next stage is characterized by high growth. While vying for a place for their product in the market, they are also spending a lot of time developing their intellectual capital, i.e., their people. When at the mature stage, companies begin to put more limits on employee actions. Good managers at this stage can assemble employees to be able to perform tasks in the best way possible. Companies that are aging will be very concerned with economic survival and will need a staff that can revitalize it. Organizational culture will be strongest when the company is at the mature stage. “Culture is the pattern of basic assumptions a given group has developed in learning to adapt to both its external environment and its internal environment” [Cascio, 1998].

Corporate commitment must exist for establishing and clearly communicating organizational culture. Managers who have well developed human resource skills will recognize the value in a strong culture. They will be better suited and committed to aiding their staff in personal career development. There can be varying cultures across organizations. People who choose jobs that are in line with their own values and culture are likely to be more productive and well suited to work together [Blake]. Successful human resource managers must tie human resources to business strategy goals.
HRD can assist managers in adopting strategic thinking and can facilitate the implementation of business strategies [Garavan, Heraty, and Morley]. The role of human resource staff is changing all the time. Their responsibility in the future is to staff projects with people committed to fulfilling business strategy. Human resource functions such as compensation, benefits and recruiting can be outsourced.

The judgment, knowledge, and foresight needed to staff effectively and efficiently will be the most important role of the human resource manager [Weiss]. Developing the skills of this carefully chosen staff is essential to achieve business strategy. Continual education for employees is one of the most vital organizational strategic goals. When the right people are hired and their skills are developed on an ongoing basis, the human resource manager is insuring the staffing needs for future projects and goals. It only makes sense to keep good quality people and develop their skills to be exactly what you need. Their ability to adapt and change for newer projects will be a reflection of the development preparation that they have received. Employees need to have efficient skills in every organization.

This certainly helps them to relate to customers. It also aids the organization by having a staff that can work well together. The development of human relation skills can help to improve communication, which decreases conflict in the long run. Better understanding and effective communication abilities will no doubt increase productivity amongst staff. This creates a more positive work environment that motivates employees. Human relation skill development means improved performance, which is a main business strategy goal [Dilenschneider].

Assessment

Part of development includes realizing the skills and abilities that employees already have. Even the most well trained employees will perform poorly if they are not assessed properly. Reinforcing previously covered information, teaching new concepts, and introducing new ideas are development aspects that must be measured and assessed. Employees need to know what is expected of them. Acceptable performance can only be known if the employees are assessed and if the assessment information is communicated.
to them. Then, the measurement of what people have learned after training will be more accurate. Feedback from managers to subordinates and vice versa is essential to the development function.

**Return on Investment**

By retaining employees, the value of their development increases. They will increase productivity and contribute to the overall success of the organization. Their expanded knowledge makes them valuable assets for the company. Overtime, this added value will more than cover the costs of their development. This reflects a payback model with an emphasis on quantitative and tangible results. However, senior managers, education providers, and HR and HRD specialists believe in the pay-forward model, i.e., results should accrue in the longer term primarily as cultural change and increased incorporation of corporate goals by individual employees. The pay forward model “is more in tune with the contribution ...” HRD specialists believe they can make [Garavan, Heraty, and Morley].

**Technology**

The responsibility for managing new technological advances has fallen on the human resource manager. Proper development of technical skills from understanding how to use a computer to interface with networks is increasingly difficult. If technical goals and strategies are expanded, the job of developing employees will be more focused. Technological changes will alter the face of communication and also the way in which employees learn. People should be encouraged to develop their abilities individually especially with the ease of delivery of information through the Internet. Sharing knowledge, exchanging resources and learning can be improved within an organization.

Interactive forums and tutorials allow learning to be done from even the most remote area. Real time conferencing allows employees to be students in virtual classrooms. All levels of business functions need technological development. HRD should focus on competent trainers. These will be the people with initial responsibility for working on technical skills. Then, as programs are further developed, people will welcome the technological change as it works its way into the organizational culture.
For example, if the accounting department is up and running with new systems, why isn't the administrative level Employees will welcome chances to develop their technical skills to keep the internal competitive climate more equal.

Changes in organizational structure will enable management to develop technical skills. They should allow an organization to restructure by enabling employees to learn, make contacts, and develop more efficiently. This can be done with effective strategic goals that allow development to take place. An example would be to have development designed internally, but the actual training would be outsourced.

Electronic performance support systems (EPSS) are the latest wave in the training and development arena [Marquardt]. These systems use computers to gain access to information, save it, and distribute it throughout an organization. This helps development because employees can gain a lot of information in a short period of time on an individual and basis staff support is minimal. HRD managers must know this system and how it relates to the work procedures of the organization.

Preparation for technology is the key. Seeking out instruction from people with technological backgrounds is a first step. Check out on line tutorials with commercial service. Seminars, conferences and training programs are the best places to get updated the technological development information of employees.

Many academic programs offer technological expertise. Books, magazines, and journals on technology are readily available. They also give information about the internet, EPSS and other on line services. There are thousands of on line sites that deal directly with technology and its impact on human resource development.

1.16 HUMAN RESOURCE DEVELOPMENT CULTURE:

Culture is a powerful determinant in how human performance problems are perceived and how their solutions in the form of employee development interventions are created, implemented and evaluated. As a lens, cultural frames color both the role and importance of human resource development (HRD) as a field of scholarly endeavor and as a professional area of practice. Culture addresses the most critical cultural bonds that
influence today's work force, bonds which are shaped by our societal, organizational, and occupational backgrounds. Contributions begin with an explanation of why an anthropological understanding of our field is so important to HRD. This book goes beyond the concept of culture as a "variable of interest" by offering theoretical and case illustrations of culture at work.

1.17 THEORETICAL FRAMEWORK:

   In the work environment, when beliefs are shared by members of the same culture or subculture, they become a kind of code for organizational "meaning-making" which can influence, for example, ways to resolve conflict, the information needed for sound decision making, the criteria for promotion, and the appropriate level of assertiveness. Culture can create a sense of solidarity in both a territorial and spiritual sense. Members of a given culture tend to see themselves as separate and unique. Cultures lend themselves to ethnocentricity and therefore tend to see themselves as superior to others. Meanwhile, cultural solidarity is emphasized and increased when individuals from one Culture come in contact with those of another.

   a) The Role of Culture and HRD in Organizations:

   Organizational, occupational and socio-cultural (national) membership tends to influence work cultures and their developmental needs more than other belief frames. Within an organization, Schein’s (1985; 1990) work on the power of leader-founders to shape work cultures is one of the most influential in understanding the roots of a company’s assumptions. Later study by Hansen and Kahnweiler (1997) confirmed this premise by suggesting that leader’s founders maintain their cultural power by unconsciously reproducing themselves through hiring and promotional practices. Kopleman’s culture and climate model (1990) is a helpful tool for illustrating the power of culture on an organization and how this influence shapes the role and the strategic importance of HRD. This model assumes a socio cultural influence which permeates all levels of the organization, in particular those of the leader founder. These values and beliefs influence the HRD practices of the organization. These practices will, in turn,
influence the climate of the organization or the ‘sense of imperative’ in which employees view their work.

The resulting climate is transformed into salient organizational behaviors via cognitive (i.e. motivation) and affective (i.e. job satisfaction) states. Kopleman suggested that attachment, performance and citizenship related behaviors manifest themselves in absenteeism, turnover, perceived understanding of an employee’s role and corresponding responsibilities in the organization, as well as the ability to foster congeniality, compromise, teamwork, moral support, etc. These behaviors and their manifestations are the core of many HRD theories and models concerned with invoking change.

b) The Role of Culture and HRD as a Profession:

Large and complex organizations additionally contain a number of subcultures that can possess contrary assumptions. Of particular note are those beliefs that are shaped by the nature of one’s one work. It has been posited that occupational beliefs and biases can diffuse organizational synergy and often compete against management driven cultures for members' minds and hearts. This line of research assumes that a competitive undercurrent can block work productivity and diminish the strategic role of an occupation, whose values and expectations appear to clash with those of the dominant culture. Of interest to this article are findings that suggest that HRD professionals in the United States constitute an occupational culture (Hansen, Kahnweiler & Wilensky, 1994) and that their assumptions often clash with those of top leadership (Hansen & Kahnweiler, 1995). The following are belief statements about American HRD functions from Hansen, Kahnweiler and Wilensky’s study. These findings are consistent with research sponsored by the American Society of Training and Development that was designed to identify competencies for the field (McLagan, 1983; 1989). Note that the following statements do not necessarily offer information about how HRD is currently practiced in organizations. They describe, instead, what American practitioners believe to be true about the purpose and goals of their field.
Training should permit individual learners to grow and develop beyond the present needs of his or her job. In addition to task related material, trainees should learn about such skills as communication, team building, strategic planning and participative management. Career development should include committed, systematic, professional advising, career planning, career paths, developmental appraisal systems, and results tracking. Career planning should reflect an integration of individual and business goals. Organizational Development should permit individuals and their organizations to move towards more collaborative, developmental, flexible, delayed, customer focused cultures. It should enhance communication and work structures.

c) **Culture and the Role of HRD Internationally:**

Business cultures are additionally influenced by the societies in which they reside. In fact societal culture may be where the largest difference in the values and beliefs of cross-cultural organizations reside. Globalization has brought this issue to the forefront. As more and more companies crossed national boundaries, scholars began to question the relative importance of socio-cultural (national and regional) and organizational frames. In a landmark study (1980), Hofstede found that work behavior was more a factor of the local national culture than the parent organization. Indicated that work beliefs are shaped during childhood and are determined at a very young age. The depth of this early orientation remains relatively constant and more powerful than the temporal effect of organizational affiliation. The comparative weight of occupational beliefs tends to fall in the middle as they are mostly shaped by educational experience and relatively influenced by the investment made in prior training.

HRD principles and models were first developed in the West, most specifically, the United States. Born out of a highly individualistic culture, American developed HRD models require the legitimacy of individual thought and development. This does not mean that group efforts are devalued. Rather this means that the individual is not culturally subordinate to the group in his right to creativity contribute and learn. Symbolically, independence is culturally protected through clearly stated through job.
Descriptions, promotional criteria, career paths, training objectives, etc. In contrast, this orientation presents a formidable challenge to the practice of HRD as an instrument of modernity in collective cultures where fierce loyalty to tribal bonds can lead to internal organizational rivalry, subjective to decision making, and the diffusion of synergetic Change efforts. The moderating effects of national culture are generally recognized as significant in HRD (Hansen & Brooks, 1994; Peterson, 1997). It is interesting to note that Hansen and Brooks found no common cross-cultural definite on of HRD. The following examples are from their review of over 100 studies:

- National culture influenced the quantity, duration, type of employees and skills to be acquired. One such example concerned models for management education. While the European model focuses on engineering and the applied sciences, American models (MBA) promote more generalized management skills.

- National culture clearly dictated the purpose training was perceived to have. For example, in the US, training was conducted to enhance job performance, in Germany training gives to further one’s technical skills and Japanese trains was as part of a commitment to continual learning and perfection.

1.18 HUMAN RESOURCE DEVELOPMENT (HRD) CLIMATE:

“The skills base is one of the firm’s main assets. It is hard for competitors to imitate these calls for an attitude to encourage learning and to reward efforts which add to the firm’s knowledge. Skills go out of date and need constant replenishment. In the long term what is most important may not be the particular skills, but the ability to keep learning new ones”.

1.19 COMPONENTS OF HUMAN RESOURCE DEVELOPMENT (HRD) CLIMATE:

Organizational Structure

An organization’s structure is actually a ‘snapshot’ of a work process, frozen in time so that it can be viewed. The structure enables the people’s energy to be focused
towards process achievement and goal achievement. Employee must have a clear definition of not only the work structure but also the role used to organize the work. If the structure and the role is not clear, people will not know what the work process is, who is responsible for what, whom to go for help and decision, and who can Assist in solving problems that may arise.

**Organizational Culture**

Organizational culture is the pattern of beliefs, knowledge, attitudes, and customs that exists within an organization. Organizational culture may result in part from senior management beliefs or from the beliefs of employees. Organizational culture can be supportive or unsupportive, positive or negative. It can affect the ability or willingness of employees to adapt or perform well within the organization. The most effective work culture is one that supports the organizations HR strategies by aligning behaviors, processes and methods with the desired results. It is not just achieving results but the methods through which they are achieved that are critical to long term success. Before any HR strategy is designed there must be a clear understanding of the organization, its current values, its structure, its people as well as its goals and vision for the future.

**Measuring HRD Climate**

(Figure 1.4 shows different measurements in HRD Climate)
i) Economic Condition

An organization’s economic condition influences its culture in several ways. The more prosperous an organization is the more it can afford to spend on research and the more it can afford to risk and be adventurous.

ii) Leadership Style

An organization leadership style plays a profound role in determining several aspects of its culture. An authoritarian style may make the organization’s culture characterized by high position structure, low individual autonomy, low reward orientation, low warmth and support and so on, or it may be opposite, like goal directed leadership.

iii) Managerial Assumption about Human Nature

Every act on the part of the management that involves human beings is predicated upon assumptions, generalizations and hypotheses relating to human behaviour. There are two theories of behaviour (Theory X and Theory Y).

iv) Managerial Values and Ethos

It involves the evaluation of managers about norms and values what is good and what is poor as management practice. There are few dimensions on which it can be checked. They are self awareness, risk taking, participation, bureaucracy, equity, employee’s security and growth.

v) Organization Size

Small organizations have few levels of management; these are generally more amenable to democratic and participative functioning than big organizations. More open communication system in small organizations. Hence these organizations have a different type of climate than what are in big organizations.
1.20 ELEMENTS OF HRD CLIMATE:

The elements of HRD climate can be grouped into three broad categories General climate, OCTAPAC culture and HRD mechanisms. The General climate items deal with the importance given to human resources development in general by the top management and line managers.

The OCTAPAC items deal with the extent to which Openness, Confrontation, Trust, Autonomy, Proactivity, Authenticity and Collaboration are valued and promoted in the organization. The items dealing with HRD mechanisms measure the extent to which HRD mechanisms are implemented seriously. These three groups were taken with the following assumptions:

A general supportive climate is important for HRD if it has to be implemented effectively. Such supportive climate consists of not only top management, line management’s commitment but good personnel policies and positive attitudes towards development.

Successful implementations of HRD involve an integrated look at HRD and efforts to use as many HRD mechanisms as possible. These mechanisms include performance appraisal, potential appraisal, career planning, performance rewards, feedback and counseling, training, employee welfare for quality work life, job-rotation, etc.

OCTAPAC culture is essential for facilitating HRD. Openness is found when employees feel free to discuss their ideas, activities and feelings with each other. Confrontation is bringing out problems and issues into the open with a view to solve them rather than hiding them for fear of hurting or getting hurt.

Trust is taking people at their face value and believing what they say. Autonomy is giving encouraging employees to take initiative and risks. Authenticity is the tendency on the part of people to do what they say. Collaboration is to accept interdependencies, to be helpful to each other and work as teams.
1.21 DIMENSIONS OF HRD CLIMATE:

It is the human environment within which an organization’s employees perform their jobs (Pattanayak, 1998). Ten dimensions have been used to study it. These are: Participation, Succession Planning, Human Resource Information, Organization Development, Training, Appraisal, Counseling, Career Planning, Reward and Welfare and Job Enrichment (Daftuar, 1996).

**Participation**- refers to the active involvement of the employees in the day-to-day functioning of the organization.

**Succession Planning**- refers to the evaluation and preparation of someone in a junior position before filling a likely vacancy in future at a higher position. Hence, the employees have some prior idea about the demands and difficulties they will face in the next higher position.

**Human Resource Information**- it consists of making available details regarding human resources, their potentials and their capabilities, etc. These are undertaken through in-house journals, newsletters, circulars, pamphlets, posters, etc.

**Organization Development**- is the effort or measures undertaken to bring about development in organizations in response to changes in the outside environment. Using different types of interventions in reply to the problems or shortcomings of the organization, an attempt is made to solve those problems in ways that the organization grows and achieves greater efficiency and productivity.

**Training**- is the coaching given to employees to enrich their potentials and to do away with their faults and shortcomings. It helps the employees to know from the faculty more about their jobs and solve the problems they face on their jobs.

**Appraisal**- refers to the evaluation of each employee with a particular objective in mind. Two main types of appraisal undertaken for the evaluation of employees are performance appraisal and potential appraisal.
**Chapter 1**  

**Introduction**

*Counseling-* is the verbal help or guidance given to the employees in connection with their on-the-job problems or personal problems which are directly or indirectly affecting their performance in their job in particular and productivity in general.

*Career Planning-* refers to the plans set for proper career advancement to reach greater heights with time.

*Reward and Welfare-* refers to different measures undertaken as an effort to make the employees safe, happy and secure. This includes insurance policies, medical facilities, sports facilities, educational facilities, transportation facilities, recreational activities, etc.

*Job Enrichment-* this is the addition and modifications bought about in a job to make the job more challenging and less monotonous. These efforts may have a direct bearing on efficiency and amount of job satisfaction that the employee receives as he/ she performs the task.

*Organizational Commitment-* This reflects the relative strength of an individual's identification with and involvement with an organization and to act in a way to meet the organizational goals and interests (Mowday, et al., 1979).

**1.22 OVERALL HRD CLIMATE:**

(a) Using delegation of authority as an opportunity for developing juniors.

(b) Helpful nature of people in the organizations.

(c) When employees are sponsored for training, they take it seriously and try to learn from the programmes they attend.

(d) Top management believes that human resources are an extremely important resource and that they have to be treated more humanly.

(e) Employees are sponsored for training programmes based on identification of training needs.

(f) When any employee makes a mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.

(g) Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take up.
(h) Employees are not afraid to express or discuss their feelings with their subordinates and

(i) Team spirit- Some important areas for improvement include job rotation that facilitates employee development, employees’ initiative to find out their strengths and weaknesses from their supervisors and colleagues, information on career opportunities to the employees, encouragement for experimenting with new methods and explore creative ideas, top management’s willingness to engage time and energy, and organizational resources to ensure employees development, and providing more employee welfare activities.

1.23 THE CHARACTERISTICS OF ORGANIZATIONAL CLIMATE ARE:

1. Communication Patterns: The degree to which organizational communications are restricted to the formal hierarchy of authority

2. Conflict Tolerance: The degree to which employees are encouraged to air conflicts and criticisms.

3. Control: The number of rules and regulations and the amount of direct supervision that is used to oversee and control employee behavior.

4. Direction: The degree to which the organization creates clear objectives and performance expectations.

5. Identity: The degree to which members identify with the organization as a whole rather than with their particular workgroup or field of professional expertise.

6. Individual Initiative: The degree of responsibility, freedom and independence that individuals have in the organization.

7. Integration: The degree to which units within the organization are encouraged to operate in a coordinated manner

8. Management Support: The degree to which managers provide clear communication, assistance and support to their subordinates.

9. Reward System: The degree to which reward allocations are based on employee performance.

10. Risk Tolerance: The degree to which employees are encouraged to be aggressive, innovative and risk-seeking.
1.24 VARIOUS COMPONENTS OF HRD CLIMATE:

HRD climate is an integral part of general organizational climate. Organizational climate is the summary perception, which people have about the organization. It is the general expression of what an organization\textsuperscript{24}. It is the manifestation of the attitudes of the organizational members toward. The organization itself, discuss the various components of HRD climate. It is also known as HRD process and elements are as shown below figure 1.5.

Figure 1.5: Various Components of HRD Climate

(i) General Climate:
A general supportive climate is important for HRD if it has to be implemented effectively. Supportive climate consists of all levels of management Top, Middle, Low etc.

(ii) OCTAPACE:
- a) Openness: - freedom to express ideas in organization.
- b) Confrontation: - refers to “conflict” dispute estrangement to evolve effective and efficient suggestions and solutions to a given problem.
- c) Trust: - means belief confidence faith.
- d) Autonomy: - The word autonomy refers to freedom, independence.
f) Authencity: - refers to legitimate rules and regulations.
g) Collaboration: - refers to cooperation, teamwork etc.
h) Experiments: - refers to new creating & innovation etc.

ii) HRD Mechanism

HRD Mechanism includes performance appraisal, potential appraisal, career planning, performance rewards, feedback & counseling, training, employee welfare for quality work life etc.

HRD initiatives

1. Training: - It is the act of improving the knowledge & skills of an employee for doing a particular job.

2. Performance Appraisal:- It is the corner stone of an effective HR system under performance appraisal find exact position of every employee or employer quality & worth.

3. Job enrichment:- It includes important job contents & routine job. under this include:
   - Formation of natural work unit.
   - Establishment of workers-client relationship.
   - Combination of task.
   - Vertical loading
   - Opening of feedback channels

4. Career Planning:- It helps the employee or employer goals. Under career three main paths- Traditional, career, Network approach.

5. Communication:- It is two-way process. Communication is exchange of information between two or more persons.

6. Involvement & Empowerment:- The main stress is to increase employee commitment to their work or to their organization in order to facilitate workforce suitably.
1.25 HRD CLIMATE AND PRACTICES IN INDIA:

The HRD climate of an organization plays a very important role in ensuring the competency motivation and development of its employees. The HRD climate can be created using appropriate HRD systems and leadership styles of top management. The HRD climate is both a means to an end as well as an end in itself.

Perception about an organization’s goals and about decisions that a manager should take to achieve these goals comes not only from formal control systems but also through informal organization. Both the formal and informal structure combines to create what is called organizational climate.

The term ‘climate’ is used to designate the quality of the internal environment which conditions in turn the quality of cooperation, the development of the individual, the extent of member’s dedication or commitment to organizational purpose, and the efficiency with which the purpose becomes translated into results. Climate is the atmosphere in which individuals help, judge, and reward, constrain and find out about each other.

It influences morale and the attitudes of the individual toward his work and his environment. Organizational climate has been a popular concept in theory and research for some time and has received a great deal of attention in the past 25 years. Guion (1973) has stated that, “The construct implied by the term ‘organizational climate’ may be one of the most important to enter the thinking of industrial psychologists in many years”. Twelve reviews of climate literature have appeared since the mid 1960s.

Hellriegel and Slocum (1974) define organizational climate as a set of attributes which can be perceived about a particular organization and/or its sub-systems deal with their members and environment”. This definition implied that in the measurement of organizational climate:

a) Perceptual responses sought are primarily descriptive rather than evaluative.

b) The level of inclusiveness of the items scales ‘and constructs are macro rather than micro.
c) The units of analysis tend to be attributes of the organization or specific sub-systems rather than the individual.

d) The perceptions have potential behavioral consequences.

*Schneider (1975) has prepared a working definition of climate*

“Climate perceptions are psychologically meaningful molar descriptions that people can agree characterize a system’s practices and procedures. By its practices and procedures a system may create many climates. People perceive climates because the molar perceptions function as frames of reference for the attainment of some congruity between behaviour and the system’s practices and procedures. However, if the climate is one, which rewards and supports individual differences, people in the same system will not behave similarly. Further, because satisfaction is a personal evaluation of a system’s practices and procedures, people in the system tend to agree less on their satisfaction than on their description of the system’s climate”. By its very nature, ‘climate cannot be described concretely. Some alternative characteristics are as follows:

- Focus on results versus focus on following work
- Individual accomplishment versus being a member of the team
- Initiative and risk-taking versus not rocking the boat
- Individual gains versus dealing with people Vs avoidance of unpleasant actions
- Tough mindedness versus dealing with people Vs avoidance of unpleasant actions
- The relative importance of participating management versus authoritarian management.

### 1.26 HRD CLIMATE IN INDIAN ORGANISATIONS:

The HRD climate as described in some of the Indian organizations is described below:

1. **Venture Finance Company (VFC):** VFC is a professionally managed Venture Finance Company, which enjoys both national and international patronage. It has provided managerial and financial support to over 45 companies. The total manpower currently is 34 out of which 26 are in managerial cadre the remaining are clerical support staff. This is the smallest of the organizations studied. VFC does not have a separate department for HRD. Currently there is one executive who looks after HRD and one deputy manager takes care of personnel and administrative matters.
2. **Consumer Products Company (CPC):** This CPC is in consumer products. Talent recruitment, retention and excitement are the focus in HR. Company aims at fully establishing itself as an FMCG company. E-commerce, E-initiatives, diversification are some future possible areas of work. Total number of employees is about 800. Corporate personnel are headed by a President- HR (who also looks after an SBU besides all HR activities). There are 3 Deputy General managers (Personnel Administration, TQM, and Health Services), 1 manager estates, recruitment, and other HR issues, 1 civil manager, 2 assistant managers (Payroll and Training and Performance Management), 1 executive (Recruitment, 360- Feedback and Other matters), 1 senior officer (Secretary to President & Compensation Manager) and 1 officer (Administrative Support in Training, Resignations, Exit Interviews, Transfer etc).

The Human Resources Function in this company is highly differentiated. The President HR integrates it at the top level. There is no strong departmentation but specialization at individual level and a high degree of flexibility. The Managers in charge of appraisals and training devote their full attention to these functions. OD, Career Planning, Potential appraisal are not focused at present. TQM and Feedback and Counseling are well integrated into the other systems.

3. **Multinational Electronics Manufacturing Company (MEMC):** MEMC is a world’s leading supplier of electrical and electronic connectors and interconnection systems. Headquartered in the USA, MEMC has about 46,000 employees all over the world. It is a world class technology leader and is frequently named as one of the top 50 patent holding corporations in the world. Total number of employees in this company at the time of this study was about 600. The HR department had 6 employees, 1 Manager, 1 Asstt. Manager, 1 Senior Executive, 1 Officer, 1 Junior Officer, and 1 receptionist. The Head of HR integrates HRD function with the other HR Systems. While there are no separate departments, there are individual’s in charge of different HR systems.

4. **Indian Multinational Company (IMC):** This Company is owned by an Indian Business House and is located in USA. It is a manufacturing unit and employs a few Indians. It is the best rated company in the country where it is located.
5. It is the first to get ISO-14001 and QS-9000 accreditation. 85% of its products are exported to about 30 countries (like UK, France, Spain, Italy, Israel, Etc) and most of its customers across the world consider it to be highly quality conscious and customer driven. It plans to double its production in the next five years. It intends to do so with an addition of less than 20% to its manpower. It had about 300 local employees and about 40 Indian Managers. The HR Department had a total of 31 staff of which there is 1 Deputy General Manager heading the functions; 3 officers are looking after training, personnel matters and safety. Of the remaining 9 are drivers, 2 receptionists, 4 safety technicians, 2 agricultural engineers; 1 nurse and other miscellaneous staff.
REFERENCES:


