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1.0 INTRODUCTION

There are many resources in an organization. Human resource is one such resource highly essential for an organization. It holds a key position in any scheme of economic development in any country because the process of development is the sum total of our productive efforts, guided, managed and executed through our human resources. Development of persons to their maximum potential and the conservation of talent is the gist of the Human Resource Development concept.

In India, separate Human Resource Development Departments were created in many services, commercial and industrial sectors. In some other group of corporate management have a different approach to the concept of Human Resource Development and its institutionalization. Some have renamed the personnel departments as Human Resource Development departments while some have created a new cell of Human Resource Development and yet some others have considered Human Resource Development as only synonymous with training or just management development. Human Resource Development has become a challenging phenomenon, which highlights the inter-relationships of various components leading to effective organization.

According to Rao, T.V., (1990), essentially, there are an increasing number of organizations recognizing the importance of HRD. Human resources constitute the ultimate basis for the wealth of nations. Development of human resources in a particular country/region is of paramount importance for the economic development of the country/region and also for enhancing the quality of life of the people inhabiting the rural or the urban areas, that is, the changing structure will provide more opportunities for the individuals to develop. “Coping with changes in market conditions, rising expectations of the employees, development in technology and changes in management systems have necessitated increased emphasis of HRD”.

People are the most important and valuable resources of any organization. Dynamic people can build progressive and growth-oriented organizations. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable an organization to achieve its goals. Therefore, organizations should continuously ensure that the dynamism, effectiveness, competency and motivation of its people remain at a high level. HRD has multiple goals. These include employee’s competency and motivation development and organizational climate development.

HRD has many aspects of human resource management in organizations and each one has its own speciality. Some have their differentiations and extra roles of distinctions. If it comes directly to the total compositions of HRD priorities in management, a practicing officer needs a set of basic knowledge relating to the management. In the government sector, many of them have taken it as an old wine in new bottle and some of them have even redesignated their personnel departments in the HRD departments. All this has created a sort of confusion. This is the reason why government business public sectors are going in losses. Probably in the government sector their roles and functions did not change and continued to do the same routine work as before. The concept of competencies, motivation and involvements along with the process of organizational developmental growth has never been applied. The organizations /institutions which are really professional have taken steps to obtain maximum efficiency, productivity through HRD and they have innovatively arranged the essence of HRD spirits for achieving the targets and their required objectives. However, when we go deep in to the scope of HRD and its functions it includes all things related to people’s recruitments, openings, retentions, welfares, trainings, appraisals, motivation, growth, compensations of industrial harmonious relations etc., HRD’s main objective is to improve the competition among the people. The team work environment towards the effectiveness results to better production is the key note to the HRD priorities.
Development may be defined as the process of acquisition of competencies. HRD is the process of facilitating and ensuring the acquisition of competencies required by people (employees, their supervisors and leaders or people in general) to perform certain activities or task intended to achieve some desired outcomes. HRD aims at the promotion of all well being of individuals, families and societies. It deals with creating conditions that enable people to get the best out of themselves and their lives.

Development is a never ending process. As people develop themselves into new directions, new problems and issues arise and the loop would continue. There are however, some universal goals towards which all human resource development efforts should aim to achieve. Thus, HRD should be treated as an integrated concept. It promoted the development of all people and is not limited to any one section or sector. It deals with both the process of competency development in people and creation of conditions (through public policy, programmes and other interventions) to help people in applying these competencies for their own benefit and for that of others.

1.1 WHAT IS HRD AND HRM?

Nageswar Rao, R., (1999), defined HRM as the area of organizational life that focuses on effective management of people. Human resource development has as its primary focus on the key competencies (knowledge, skills and attitudes) which, through learning, enables individuals to perform their current and future jobs. Organizational development is an effort, planned organization-wide and managed from the top, to increase organizational effectiveness and health through planned interventions in the organizational process, using knowledge of behavioural sciences.

The workforce in India is not clear about its duties and managers are not able to direct them properly to get things done. As a result, managements are truly at the crossroads in India. The main drawbacks of HRM practices in many Indian organizations could be broadly classified as under:
Mc Lagan, (1989), argues that HRD is concerned with ‘development’ issues—‘training’ and development’, ‘organization development’ and ‘career development’.

1.2 HUMAN RESOURCE DEVELOPMENT

The term HRD was first applied in the year 1968 in an organization at Washington. However, formal introduction of the concept was made at a conference of American Society for Training and Development (ASTD) in 1969. Since then, the HRD concept has become popular in USA and other countries. A professional outlook to HRD began in India only in the late 1970s. Larson and Toubro is perhaps the first company to design and implement an integrated HRD system in India. Later it has spread to many public and private sector organizations.

According to Harbison, (1995), “Human resources are the energies, skills, talent and knowledge of people, which potentially can and should be applied to the production of goods and services.” Human resource generally means total quantitative and qualitative human assets or people in a society. The concept of development of persons to their maximum potential and the conservation of talent is the gist of the concept of human resource development”. The term HRD encompasses three areas of training, education and development. It means:

- A Series of Organized Activities
- Conducted within a Specified Time, and
- Designed to Produce Behavioural Change
So, HRD is always a function of proper utilization of creative opportunities and available environment through acquisition of knowledge, skill and incentives, usually necessary for productive efforts.

According to Ishwar Dayal, (1993), HRD is for development of individuals. An individual must become better adjusted to his environment, develop enhanced capabilities and skills. HRD consists of activities that lead to better understanding of the individual by himself and those around him. Today HRD is used in number of organizations as a means to achieve its goals / targets. Such HRD practice may produce short-term and unsustainable results to the organization but can’t last long due to the inherent contradictions in the approach and process.

1.3 THE CONCEPT OF HRD

According to Subba Rao, P., (2000), HRD is mainly concerned with developing the skill, knowledge and competency of people and it is people - oriented concept, the question of people be developed in the larger or national context or in smaller organizational context. HRD can be applied both for the national level and organizational level. The concept of HRD is not yet well conceived by various authors though they have defined the term from their approach as it is of recent origin and still is in conceptualizing stage. The concept of HRD was formally introduced by Leonard Nadler in 1969 conference organized by the American Society for Training and Development. Leonard Nadler, (1984), defines HRD as, “those learning experiences which are organized a specific time, and designed to bring about the possibility of behavioural change. 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 behavioural knowledge, skills and abilities and mould the values, beliefs, attitudes 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 groups.
It is natural fact that every human being is born with his/her own qualities and specific nature. Every person works basically to satisfy his/her fundamental needs. Due to this phenomenon it seems a typical task to pursue a group of persons in particular direction to achieve some pre-determined goals. The concept of HRD has been gaining prominence and increasing realization in business and management circles during the last one decade. HRD has emerged as an inter-disciplinary approach to the development of human resources. It has comparatively recent origin. Although the development of human beings has been in existence in some form or the other, since the beginning of civilization, a planned and systematic approach to HRD in the corporate sector has emerged in latter half of the 20th century. HR is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employees in an organization. It is the most valuable asset of an organization when compared to money and other physical assets. HRD focuses on developing the competency of the individual employee right from the start through improving skill, attitude and job knowledge. It attaches' more importance to the motivational aspect which plays a catalytic role in the best utilization of human potential.

HRD is a process through which employees in an organization are assisted to realise their full potential for their present and future jobs. It is primarily concerned with the development of employees through such mechanisms as training, feedback, counselling, career planning, performance and potential appraisals, organization development techniques, employee’s welfare schemes and rewards. HRD represents a new paradigm, a new world view or a way of looking at the world around us. HRD is a development oriented planning effort in the personnel area which is basically concerned with the development of human resource in the organization for improving the existing capabilities and acquiring new capabilities for the achievement of the corporate and individual’s goals. Some of the process mechanisms or sub-systems of HRD are performance appraisal, potential appraisal and development, feedback and performance coaching, training, career planning, employee’s welfare and quality of work life, rewards, organisational development and systems development and human resources information.
These mechanisms are used to initiate, facilitate and promote HRD process in a continuous way. All the process mechanisms are linked with corporate plans, particularly with the human resource planning. Thus in the organizational context, the scope of HRD is not limited to the development of the organizational role of the employees but it also extends to the individuals, inner urges, genius and latent potentialities. HRD believes that individuals in an organizations have unlimited potentialities for growth and development which can be multiplied and channelised through appropriate and systematic efforts.

1.3.1 Development of the HRD Concept

In 1969, Dr. Nadler gave the concept of the development of the people in organizations and termed it HRD. It was introduced in the United States of America and offered an American model where in he described HRD as a service of organized activities conducted within a specified time and designed to produce behavioural change. He outlines a human resource management structure with three components. They are:

Human Resource Utilization (HRU) or the utilization component which includes recruitment, selection, placement, appraisal and compensation. Human Resource Development (HRD) or the developmental component which includes various kinds of learning experiences which contribute to the individual and organizational effectiveness. The environment input namely: Human Resource Environment (HRE), comprising “job enrichment, job enlargement and organizational development.”

In India, the concept of HRD is developed by Dr. Pareek and Dr. Rao in the seventies at the Indian Institute of Management, Ahmedabad (IIMA). They contributed to the emergence of an idea of issues arising out of the experiences which they called HRD. In 1985, Dr. Rao outlined the HRD concept that, HRD in the organization is a process by which the employees of an organization are helped in a continuous and planned way.
1.4 APPLICATIONS OF HRD

The applications of HRD to industry include practically all the subjective matter of HRD and all phases of industry. One of the best applications could be the selection of personnel. Measurement of various kinds of human ability and use of tests to predict job success continue to increase in importance as jobs become more complicated equipment which becomes more expensive. This type of application is almost entirely a task for the HRD specialist. After employees are hired, they must be trained to perform the job. This training problem once confined to teaching a man to operate a machine now extends to practically all jobs, even those of supervisors and executives. Many universities now offer short-term courses for executives. New training methods are being developed for this kind of programme. HRD and education become associated in this phase of application. Getting the right man on the job and training them to do it is just a beginning. In the manufacturing process various HRD problems arise, adapting machinery and job routines to man’s physical and mental ability, finding ways to reduce boredom, accidents, designing and plan layout that utilizes space efficiently and permits proper co-ordination of work units and furnishing a good physical job environment which includes efficient control of vibration and noise, proper utilization, atmosphere and so on. These applications are sometimes called engineering HRD. Both engineer and HRD specialist must work together in this area of application.

After a product is processed, it must be marketed. Again HRD problems arise in connection with market research, publicity and sales business implications. If you survey consumer intent, then you will find the economic resource problems, attitudes and motivation and thereafter can predict the demand. Many HRD persons do research on salesmanship with respect to both selection and training. Cutting across all phases of the industrial process we find the problem of organization. This is relatively a new area of interest in which the discipline of HRD management has become involved. Within an organization, be it government business, public sector, private sector or institutions, there are great many interpersonal interactions. Supervisors interview subordinates assign work to them, exchange information with them and even counsel them on
personal matters. They also conduct conferences for various purposes. The HRD problems in all these face to face relationships usually fall under the headings of supervisory leadership, human relations and communication which are closely associated with the supervisors, task of working in an organization. Organizational setting is a problem to decision-making. Applications of HRD duties to industry also include relations with union. Problems of bargaining labour negotiations, processing grievances, the study of the industrial community are subjects of mutual interest of HRD specialists. Now a day’s many industries are considering the HRD departments to deal with their personnel employees’ problems. Groups may even be viewed from the aspect of how well they can learn to function by developing a better understanding of themselves and others.

The study of HRD in industry might be seen from the point of view of training or as background training for managers and personnel. Training for managers and personnel’s would include work in business administration as well as in HRD. All this clearly demonstrates the potential usefulness of HRD in business and indicates that its uses will increase day by day.

1.5 EIGHT MYTHS ABOUT HRD

A number of myths and misconceptions exist about HRD. Some of these are highlighted below. The first and foremost important role of HR is to ensure that such myths are not perpetuated and that the reality of HRD is understood by all the employees in a corporation, Rao, T.V., (1999).

1.5.1 HRD Means Training

This myth has been perpetuated by those organisations that have renamed their training departments as HRD departments or their training managers as HRD managers. It is also perpetuated by those who do very little beyond training. While training is important and has a significant role to play HRD is far more than training.
1.5.2 HRD Means Promotions

This myth is perpetuated by line managers who put the onus of their promotion (or not getting the promotion) directly or indirectly on the HRD department or HRD systems like appraisals. No one gets promoted or not promoted because of HRD. Biases do not automatically get reduced, nor do rewards get increased because of HRD. HRD may change the nature of recognition and reward systems and align them with the performance culture. This is always not a process without pain.

1.5.3 HRD Means Fat Salaries

This myth got perpetuated by some CEOs and top-level managers who went on communicating to their employees that salary revisions were not being undertaken as they did not have a good and competent HRD manager. Also by those who gave this as the first important task to a newly established HRD department.

1.5.4 HRD Means Planning the Careers of People

This myth partly got perpetuated by the term itself and partly by line managers who are incapable of planning their own careers. A fair number of employees seem to expect the companies to plan their careers and yet are not willing to share any of their own career aspirations with their seniors.

1.5.5 HRD Means Rewards

This myth got perpetuated by those companies that over-publicised the linkage of their performance appraisal systems with rewards. Most line managers think that the moment the performance appraisal system in their company changes they will now become eligible to get rewards.

1.5.6 HRD Means Having a Good Time

It is not unusual to come across some managers commenting that though their HRD department has come into existence about eight years ago but they have not been sponsored for a single training programme outside the company. Some of them even refuse to recognize the numerous in-house programmes they attended as training programmes. It must be outside their city and in a good place. It has got to be a memorable outing.
1.5.7 HRD Depends on the Top Management

This myth got perpetuated by a number of incompetent HRD managers who keep on attributing their own inefficiencies and ineffectiveness to the lack of commitment of the top management. This also got perpetuated by some of the CEOs and other top-level managers who have treated HRD as a fashion and established HRD departments without knowing what it can do.

1.5.8 HRD is the Job of the HRD Department Alone

This is the most widely shared and misunderstood myth. It is also normal human tendency to assume if you have a department everything is to be done by that department only. Most managers get disappointed that the HRD department is not able to change their employees (direct reports) and their attitudes. HRD is the responsibility of each employee to develop himself or herself and facilitate the development of at least one level below. The HRD department equips line managers with instruments for development.

1.6 HRD REALITY

- HRD means Learning
- HRD means Self-Development
- HRD means creating conditions for others to develop and remain motivated
- HRD means creating new development tools and their use
- HRD means more accountability
- HRD means more Initiative, Teamwork and Collaboration
- HRD means Trusting and Trustworthiness and Creation of a Trusting Environment
- HRD means Autonomy and Experimentation
- HRD means Effort
- HRD is Contextual

In sum, HRD means competence, commitment and culture building at individual, dyad, team and organizational levels in the contexts applicable to each organization. The myths and realities affecting the HR profession are presented in the Table 1.1.
<table>
<thead>
<tr>
<th>Old Myths</th>
<th>New Realities</th>
</tr>
</thead>
<tbody>
<tr>
<td>People join the HR function because they like people.</td>
<td>HR departments are not designed to provide corporate therapy or as social or health and happiness retreats. HR professionals must create practices that make employees more competitive, not more comfortable.</td>
</tr>
<tr>
<td>Anyone can do the HR function.</td>
<td>HR activities are based on theory and research. HR professionals must master both theory and practice.</td>
</tr>
<tr>
<td>The HR function deals with the soft side of business and is therefore not accountable.</td>
<td>The impact of HR practices on theory and research can and must be measured. HR professionals must learn how to translate their work into financial performance.</td>
</tr>
<tr>
<td>The HR function focuses on costs which must be controlled.</td>
<td>HR practices must create value by increasing the intellectual capital within the firm. HR professionals must add value not reduce costs.</td>
</tr>
<tr>
<td>The job of the HR professional is to be the policy and happiness patrol.</td>
<td>The HR profession does not own compliance-managers do. HR practices do not exist to make employees happy but to help them become committed.</td>
</tr>
<tr>
<td>The HR function means a lot of fads.</td>
<td>HR practices have evolved over time. HR professionals must see their current work as a part of an evolutionary chain and explain their work with less jargon and more authority.</td>
</tr>
<tr>
<td>The HR function is performed by nice people.</td>
<td>At times, HR practices should force vigorous debates. HR professionals must be confrontative and challenging as well as supportive.</td>
</tr>
<tr>
<td>The HR function is only for HR professionals.</td>
<td>HR work is as important to line managers as are finance, strategy and other business domains. HR professionals should join other functional managers in championing HR issues.</td>
</tr>
</tbody>
</table>

1.7 HUMAN RESOURCE DEVELOPMENT FRAMEWORK

The Ministry is called as that of HRD in place of education. It continues to be an important and major part of the new ministry. The new term HRD has been used probably because ‘education’ has acquired over a period of item certain connotation and the name itself may be imposing limitations on the functioning of the ministry. In cases where personnel departments were stronger they were renamed as HRD departments with a new mandate and where they were weaker new departments got started. Since our education ministry has been strong enough and playing a very crucial role in the past, renaming it as the HRD ministry was parallel to a company renaming the personnel department and creating a position in the board of directors of a vice-president or director of human resources.

According to Rao, T.V., (1991), Development of these human resources would mean different things for different categories. HRD for entrepreneurs would probably aim at reducing industrial sickness, improving their skills to be effective entrepreneurs and managers. HRD for rural labourer would mean developing their skills to be self-reliant and improving his/her standard of living, increasing his/her awareness of the environment, development opportunities for him/her and for his/her children, healthy living and better upbringing of children. HRD for labour union leaders may aim at developing competencies for leading productive and useful unions. HRD for professions may mean continuing education to keep them posted with the technological and other developments in their profession or occupation. In our country, the HRD for a good number of people is already being taken care of by some agencies. For example, industries have their own HRD departments.

Recent economic liberalizations announced by Government of India tend towards market and economy and started creating more dynamic environment in India than ever before. HRD plays a significant and crucial role in market economies under dynamic environments. Human Resource Development should be effective and efficient. HRD cannot be effective for the candidates who do not possess potentials to
perform present and future roles in organisations in dynamic environment. HRD to be effective should essentially have a strong base of human resource planning, recruitment and selection based on effective HRD requirements. These base factors enable the organisation to develop its human resources efficiently as shown in the Figure- 1.1.

**Fig. 1.1 HRD Process and Identification of Inputs**

<table>
<thead>
<tr>
<th>Analysis of Roles as</th>
<th>Forecasting Manpower Need Based on HRD</th>
</tr>
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<tbody>
<tr>
<td>• Individuals</td>
<td></td>
</tr>
<tr>
<td>• Members of teams</td>
<td></td>
</tr>
<tr>
<td>• Members of the organization</td>
<td></td>
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<table>
<thead>
<tr>
<th>Potential Appraisal</th>
<th>Recruitment and Selection Based on HRD</th>
</tr>
</thead>
</table>

| Performance Appraisal                      |                                        |
|--------------------------------------------|                                        |

| Employees’ Present                          |                                        |
| Capabilities and Potentialities            |                                        |
|--------------------------------------------|                                        |

| Capabilities to be Acquired                |                                        |

| Inputs: Skills, Knowledge, Behaviour, Values etc., |


Subba Rao, P., (2004), emphasized that Human resource planning for HRD should plan for human resources not only for the present and future jobs but also roles. Further, human resource planning should plan for potentialities. Recruitment for HRD refers to searching for prospective employees having skills, talents and potentials to carry out the present and future jobs and also for development and motivate them to apply for jobs. Selection for HRD refers to designing the selection techniques like
written test, selection tests, interview etc., fit for selecting the candidates suitable for further development. These base factors influence the analysis of roles of employees as individual, as members of teams and organisation, along with the ever changing environment. The positive base factors exert positive influence on the analysis of role and vice versa are true in case of negative factors.

Human resources to be acquired and developed are determined in terms of skills, knowledge, abilities, values, aptitude, beliefs, commitment etc., Suitable techniques of human resource development is/are to be selected depending upon the resource to be acquired and developed. These techniques include: Performance Appraisal, Potential Appraisal, Training, Management Development, Organisational Development, Career Planning and Development. Worker Participation in Management, Quality Circles and Social and Spiritual programmes as shown in the Figure-1.2. The outcomes of HRD are four-fold, viz., to the organisation, to the individuals, to the groups and to the society. HRD benefits the organisation by developing the employees and make them ready to accept responsibilities, welcome change, adapt to change, enables the implementation of the programmes of total quality management, maintenance of sound human relations, increase in productivity and profitability. The HRD also benefits the individuals in achieving of potentials, increase in performance, fulfilling their needs and enhancing social and psychological status. The HRD helps the groups in the form of increase in co-operation, increase in collaboration and team effectiveness. Further, it helps the society in the form of developing human resources and increased contribution of human resources to the society.
Fig. 1.2 Process of HRD Techniques and Output

Organizational Climate and HRD Climate

Techniques:
- Performance Appraisal
- Training
- Management Development
- Career Development
- Workers Participation
- Organizations Development
- Quality Circles
- Social and Spiritual Development

Human Resources

Development of Human Resources Output:
- Skill
- Knowledge
- Behaviour
- Values

Means:
- Individual
- Team
- Family and Friends
- Society

Outcomes:
- Individual Goals
- Team Goals
- Organizational Goals
- Social Goals

1.8 MODEL OF THE HRD

A definite model of the HR function no longer exists. Every organization is unique and one organization’s model will not work for another. It is based on the size, the structure, the industry philosophy and the nature of business. The figure given below is an overview of how the HR function has evolved with the change in business environment over a period of time. It took a long time, from 1850 to 1960, for the transformation of business and consequently the evolution of the HR function. The era of bonded labour, (1850) gave a birth to the labour relations function, intertwining with the birth of products. As the complexity of business began to increase with industrialization, mechanization of production started to take place and technological changes became an integral part. This led to an increased demand for industrial output. As a result, the relationship between the owner and the worker changed. With the increased popularity of socialism and freedom revolutions the birth of unions took place. Politically backed unions entered the industry and began to lay down rules of work. An era of industrial relations through collective bargaining came into existence. At this time, labour legislation was taken up by governments all over the world. A new discipline, industrial relations emerged, which managed the relationship between unions and corporations, executives and factory workers. Thus, the HR function continued to transform itself over a period of time and with organizational growth, (indicated as Fig. 1.3), Rao, T.V., (1990).
1.9 HRD IN INDUSTRY

Rao, T.V., (1991), identified that HRD has become very popular in the industry. Larsen and Toubro was the first to create a new department, appoint a person at a very senior level in their company as in-charge of the HRD department in the year 1974. Today several organizations have HRD managers and some of them have even HRD departments. In some of the organizations the training departments have been merely renamed as HRD departments or their former training managers have been redesignated as HRD managers with no other accompanying changes in their role. In some others (interestingly in a few public sector undertakings) even HRD departments represent a quest for fortifying the organization by strengthening its people and their competencies. HRD departments use mechanisms/processes like the following to promote the development of their people and maintain the dynamic, vitality, innovativeness, effectiveness and excellence in their organization.

- Performance appraisals aiming at the development
- Performance analysis and review discussions
- Counselling
- Job - rotation
- Interpersonal feedback
- Potential development exercises
- Career planning and development strategies
- Rewards
- Training of various forms
- Communication exercises and systems
- OD (Organizational Development) exercises and interventions
- Human Resources Information Systems, (HRIS)

Top-level managers of many organizations are increasingly becoming aware of the need to pay adequate attention to ‘people’ and human processes in their organizations. HRD managers and departments are beginning to play crucial role in
generating and maintaining human processes and developing employee competencies to boost the vitality and dynamism of organizations. HRD is seen as the job of the line managers with HRD departments assisting the line managers to play this role effectively.

1.10 HRD MECHANISMS

The goal of HRD systems/mechanisms is to develop:

- The capabilities of each employee as an individual
- The capabilities of each individual in relations to his or her present role
- The capabilities of each employee in relation to his or her expected future role
- The dyadic relationship between each employee and his or her supervisor
- The team spirit and functioning in every organizational unit
- Collaboration among different units of the organization
- The organization overall health and self-renewing capabilities, which, in turn, increase the enabling capabilities of individuals, dyads, teams and entire organization.

To achieve these objectives, HRD systems may include the following process mechanisms or subsystems: Techniques of HRD techniques of human resource development are also called HRD methods, HRD instrument or mechanisms or HRD subsystems. Rao, T.V., (1991), presented a model, (Fig. 1.4) to explain the linkages between HRD instruments (put in operation they become practices), processes, outcome and organizational effectiveness. In this model, schematically presented in the figure 1.3, the HRD instruments include various tools of HRD that corporations are likely to use for competence, commitment and culture building in their respective organizations. These tools include the various sub-systems, such as the performance appraisal system, feedback and counselling sessions, potential development exercises like assessment centres, training, job rotation policies etc., a feature of this model is that the HRD department is also included as an instrument of HRD, implying that while organizations always have the choice of establishing HRD departments, they could carry on HRD activities even without an HRD department.
All these mechanisms are designed on the basis of the following beliefs:

- Human resources are the most important assets in the organization.
- Unlike other resources, human resources can be developed and increased to an unlimited extent.
- A healthy climate, characterized by the values of openness, enthusiasm, trust, mutuality, and collaboration, is essential for developing human resources.
- HRD can be planned and monitored in ways that are beneficial both to the individual and to the organization.
- Employees feel committed to their work and the organization if the organization perpetuates a feeling of ‘belonging’.
- Employees are likely to have this feeling if the organization provides for their basic needs and for their higher needs through appropriate management styles and systems.
- Employee commitment is increased with the opportunity to discover and use one’s capabilities and potential in one’s work.
- It is every manager’s responsibility to ensure the development and utilization of the capabilities of subordinates, to create a healthy and motivating work climate, and to set examples for subordinates to follow.
- The higher the level of manager, the more attention should be paid to the HRD function in order to ensure its effectiveness.
- The maintenance of a healthy working climate and the development of its human resources are the responsibilities of every organization (especially the corporate management).
**Fig. 1.4 Linkages between HRD Instruments, Processes, Outcome and Organizational Effectiveness**

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**Other Factors**
- Personnel Policies
- Top Management Commitment
- Investment on HRD
- History and Culture
- Line Manager's Interest, etc.,

1.11 SIGNIFICANCE OF HRD

According to Subba Rao, P., (2000), the term human resource refers to the knowledge, skills, creative abilities, talents, aptitudes, values and beliefs of an organization’s workforce. The more important aspects of human resources are aptitudes, values, attitudes and beliefs. But, in a given situation, if these vital aspects remain the same, the other aspects of human resources like knowledge, skills, creative abilities and talents play an important role in deciding the efficiency and effectiveness of an organization’s workforce. This effective performance of an organization depends not just on the available resources, but its quality and competence as required by the organization from time to time. The difference between two nations largely depends on the level of quality of human resources. Similarly, the difference in the level of performance of two organizations also depends on utilization value of human resources. Moreover, the efficiency of production process and various areas of management depend to a greater extent on the level of human resource development. HRD assumes significance in view of the fast changing organizational structure environments and needs of the organization to adopt new techniques in order to respond to the environmental changes. The vitality of human resources to a nation and to industry depends upon the level of its development. Organizations to be dynamic, growth-oriented and fast changing should develop their human resources. Organization to be dynamic should possess dynamic human resources. Human resources to be dynamic acquire capabilities continuously; adopt the values and beliefs and aptitude in accordance with changing requirements of the organization. Similarly, when employees use their initiative, take risks, experiment, innovate and make things happen, the organization may said to have an enabling culture. The competent human resources can be dynamic in an enabling culture. Thus, organization can develop, change and excel, only if it possess developed human resources. Thus, HRD plays significant role in making the human resources vital, useful and purposeful.

Bhaskar Rao, Y.K., (2000), emphasizes the importance of growth of individuals and the organization, integration of individual goals with organizational
goals, improving performance of the individuals and the groups and the effectiveness of the organization as a whole through HRD. Industries and organizations in advanced countries have given greater attention to human resource as a means to increase productivity, efficiency and gain competitive advantage. However, HRD is relatively a new subject of study in India and it was only since a decade or so that Indian industries have realized the imminent use and applicability of human resource for their progress. It is to be noted that an organization’s performance and productivity mainly depends on the quality of its human resource. HRD is a process of improving and developing skills, knowledge, aptitudes and values of the employees based on present and future organizational requirements. The purpose of HRD is to enhance understanding of people, their needs and aspiration. It seeks to generate awareness among the employees of their role as a resource to the organization for attainment of its goals and thereby minimizing the area of conflict between them. HRD basically comprises a set of components like projecting manpower requirement, selection, placement, training, promotion, deputation and management. It largely helps for maximum utilization of the resource in an effective manner and paying the employee a reasonable compensation in proportion to the contribution made by him. HRD establishes interconnected working relationships among the employees to attain maximum individual development and thereby ensuring effectiveness in the organization.

1.12 IMPLEMENTING HR PRACTICES AND POLICIES

When implementing the HR practices and policies, managers should note that HR practices:

- Cannot be "copied" from one organisation to another. A set of complementary HR practices that have produced increases in productivity, improved quality of service and given a firm and competitive advantage, will not necessarily produce the same, or even similar results in an organisation, or part of an organisation, operating in the same industry.
• Must be implemented with regard to the organisational context of a particular firm. Priorities for implementing particular sets or bundles of HR practices will vary between firms operating in similar markets in the same industry.

• Should be more effective, and can produce a synergistic effect, if they are complementary to each other. For example, self-managed teams being introduced at the same time as team-based or group compensation incentives contingent on organisational performance.

• Must be congruent to the long-term strategic objectives and mission statement of the organisation if they are to yield returns through increased productivity and ultimately improved customer service. If this congruency is absent, then organisational dysfunctions will result and the attempt to introduce progressive HR practices will rapidly lose credibility among the firm’s employees.

• Require significant planning, resources and effort. The participation, involvement and commitment of all the firm’s employees and their unions have to be secured. This requires leadership and a cohesive management team over the long-term.

• Necessitate that people who are expected to assist with the implementation of the new HR practices must be consulted and be a part of the planning, development and implementation processes right from the start.

• May not be successfully implemented without significant changes in the structure and culture if the structure of an organisation is highly hierarchical with an accompanying bureaucratic culture. Such changes would most likely involve significant management changes and a move to a leadership style more conducive to participation.

• Will be of little benefit to an organisation unless the appropriate infrastructure and supporting mechanisms are in place. There must be an effective management system to support long-term productivity improvements. Policies
and training have to be aligned with HR practices. If the practices are not supported by appropriate policies, then employees will become confused and disillusioned with the implementation of HR practices.

- Must be broadly complementary to HR policies linked to "high-involvement work practices" and are thus relevant to explaining the variation in the diffusion of such practices. Changes in these work practices are more difficult to carry out the complementary set of HR policies because they are more intricately bound up with the core business processes and requirements of the organisation.

1.13 GOOD PRACTICES

Good HRD practices can influence financial and other performance indicators of corporations by generating employee satisfaction. Most successful corporations believe that it is their people who provide them a competitive advantage. Even 25 years after the first HRD department was established in the Indian corporate sector, HR professionals in many corporations seem confused about what good HR practices are and how one can link them with business improvement.

Any practice that deals with enhancing competencies, commitment and culture building can be considered as HR practice. The practice can take the form of a system, a process, an activity, a norm, a rule, an accepted or expected habit, or just a way of doing things. Human resource development has been essentially consisting of these Cs: Competencies, Commitment and Culture. All the three needed to make an organization function well. Without competencies many tasks of the organization may not be completed cost-effectively or with optimal efficiency. Without commitment they may not be done at all or are done at such a slow pace that they lose relevance. Without an appropriate culture, organizations cannot last long. Culture provides the sustaining force and spirit for organizations to live. It provides the sustaining force and spirit for organizations to live. It provides the oxygen needed for them to survive. Its utility comes to the fore especially when organizations are in trouble.
1.14 HRD CLIMATE

1.14.1 Concept of HRD Climate

HRD Climate is an integral part of organizational climate. HRD climate is the perceptions that the employees have about the policies, procedures, practices, and conditions which exist in the working environment. As stated earlier, various HRD instruments create a climate conducive to achieve organizational effectiveness. The climate in which the employees work is, to some extent, affected by the HRD instruments since such a climate is created by HRD instruments, it is termed as “HRD Climate”.

Abraham’s, (1989) study has clearly said that the linkage between the HRD climate and organizational performance in financial terms. Even if the climate does not show any direct linkages at a given point of time, logically it makes sense to have a good HRD climate for the benefit of the organization. Most professional organizations, multi-nationals and well run organizations by business families like the TATAS and BIRLAS are known for their climate. The HRD climate is one that results from the beliefs of the top management initially and subsequently from the HRD systems and practices. It deserves to be studied and assessed independently for its importance and independent standing as demonstrated by Abraham’s research.

1.14.2 OCTAPACE Climate

HRD deals with competence building, culture building and commitment building. Competence and commitment can be built on a continuous basis in a certain type of climate. If the milieu is good, a number of things can happen. Hence creating a culture becomes important in any organization. The HRD climate should have the following characteristics:

- It should be a learning culture.
- It should facilitate the identification of new competencies of people on a continuous basis.
➢ It should facilitate bringing out the hidden potential and new talents of people.
➢ It should help in developing new competencies.
➢ It should have in-built motivational value. In other words, it should have a self-sustaining motivational quality. People are committed to what they do and they need not be told to act.
➢ It should enable people to take initiative and experiment. Initiative and experimentation are the cornerstones for development. They enable individuals, teams and organizations to discover new potential in them.
➢ It should bring joy and satisfaction in work. Work should not become drudgery. It is made enjoyable by a good work culture.
➢ It should enhance creativity and the problem-solving capabilities of people.
➢ It should create team spirit and morale.
➢ It should enhance the action orientation of individuals, dyads and teams.

Such a climate has been termed as OCTAPACE, is an acronym of openness, collaboration, trust and trustworthiness, authenticity, proaction, autonomy, confrontation and experimentation.

1.14.2.1 Openness

Openness is there where people feel free to express their ideas, opinions and feelings to each other irrespective of their level, designation, etc., there are no barriers to such expressions. They are encouraged to express and are heard. Their views are taken seriously. Such expression provides an opportunity for individuals to explore their own talents. The organization handles these expressions for discovering new ways of doing things, for discovering new potential and for taking actions based on real internal talent of the organizations. There are only some views that can get finally accepted and tested or put to action. That does not disappoint those views which are not put into action. They continue to contribute as such contribution is a way of life.
1.14.2.2 CoUaboCration

CollaboCration is a climate where people are eager to help each other. There is a spirit of sacrifice for the sake of each other and larger goals. Personal power is played down and people are governed by larger goals like the goals of the organization, country and humanity. People are willing to go to any extent to help each other to make sure that the larger organizational goals govern the decision making and people do not have narrow departmental or team loyalties when they are required.

1.14.2.3 Trust and Trustworthiness

Trust and Trustworthiness deals with the climate of people believing each other and acting on the basis of verbal messages and instructions without having to wait for written instructions or explanations. There is no need for monitoring and controls. There are no overheads to check if people mean what they say. The word given by individuals, dyads or teams is relied on. In such a culture both trust and trustworthiness are of the highest order. To create a culture of mutual trust, a climate of trustworthiness is essential.

1.14.2.4 Authenticity

Authenticity is speaking the truth fearlessly and keeping up the promises made. It is indicated by the extent to which people mean what they say and do what they say. In a way, it is of a higher order than trust and trustworthiness. They never promise or commit to things just to please others. They also make full efforts to implement their promises.

1.14.2.5 Proaction

Proaction promotes initiative and exploration on the part of all employees. A proactive culture encourages every one to take initiative and make things happen. New activities and new ways of doing things are encouraged. Such proaction can be in any area including role making, role taking, work methodology, cost reduction, quality improvements, culture building, HRM, etc.,
1.14.2.6 Autonomy

Autonomy is present if every role holder in the organization, irrespective of his/her level, has some scope to use discretion in his/her job. The discretion may be in terms of work methods, decision-making, communication or any such area. There should be scope to choose one’s activities and role. The greater the freedom to choose what one wants to do or the way one wants to do it, the higher the autonomy. Autonomy has been found to characterize most academic and research institutions.

1.14.2.7 Confrontation

Confrontation is the climate of facing the issues squarely. People discuss issues with very little fear of hurting each other. Even if one may have to hurt the other, the issue is handled and not put under the carpet. People can be relied upon to treat issues not as a personal assault but as focus areas needing improvement. His/her climate enhances the problem-solving ability.

1.14.2.8 Experimentation

Experimentation is the orientation on the part of the employees to try out new ways of doing things and take new decisions. It characterizes a risk-taking culture in the organization, without risk, there is no growth. Without experimentation, there is a very little scope for renewal, rejuvenation and simplification of life.

Openness and confrontation go together. Autonomy and collaboration go together. Trust and authenticity go together. Proaction and experimentation go together. Thus, four pairs are the four corner stones of HRD climate. When these values are practiced in an organization, they become a part of life and are likely to get the best out of people. Human potential gets developed to the maximum extent and people competencies are utilized to the maximum. HRD professionals have to work hard to inculcate these values. Any organization that would like to be dynamic and grow can do so only by making its employees dynamic and growth-oriented. Competence and dynamism of employees require a development climate and internalization of HRD mechanisms and sub-systems.
1.15 HRD TRAINING: A DEFINITION

Training is a planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization. It is a process of imparting the employees the technical and operating skills and knowledge. It includes:

- Identification of training needs of the individuals and the company.
- Developing suitable training programmes
- Helping and advising line management in the conduct of training programmes
- Imparting of requisite job skills and knowledge to employees
- Evaluating the effectiveness of training programmes.

Training methods generally can be divided into on-the-job training. There is a place for both types of training and each can be effective at meeting certain training requirements. Whether you should do more training or less is a decision to be made by you and your company, after consideration of your company’s business needs, now and in the future. Every company trains its employees, whether consciously or not. How well it trains its employees is another matter. We learn new skills and knowledge by doing our jobs and, amongst other things, by copying others, by trial and error, by thinking about our work or reading. But not every company develops formal systems for planning its training. Such systems might be worth considering. Planning your company’s training will help you to:

- Identify needs
- Manage the training
- Identify some training costs and separate them from other costs
- Training should help both you and the employees
- To meet the needs of a particular job
- To meet the aspirations of an employee
- To prepare the employee for more responsibility
- As a business investment for a future need
1.15.1 Aims of Training

- To administer desire programmes
- Sell the idea for sound manpower development
- Executing strong policies
- Evaluating and observations
- Counselling

1.15.2 Types of Training
1.15.2.1 On-The-Job Training

It is probably the most common approach to training, and can range from relatively unsophisticated observe and copy methods to highly structured courses built into workshops or office practice.

Evidence suggests that in most organizations in Western and European countries training still carried out in traditional ways. This is not to condemn traditional methods for there is much to admire, for example, in the German dual apprenticeship system which is based on a thorough going traditional scheme composed of a combination of on-the-job and off-the-job training.

1.15.2.2 Mentoring

This is another version of the system whereby a senior or experienced employee takes charge of the training and development of a new employee. This suggests a much closer association than master/apprentice and elements of a father/son/mother/daughter relationship can exist whereby the mentor acts as an adviser and protector to the trainee.

1.15.2.3 Shadowing and Job-Rotation

It is another off practised on-the-job training method. This method usually aims to give trainee managers a feel for the organization by giving them experience of working in different departments. This is an old technique and has been criticized; less for the concept itself, but for the way it is often implemented. Trainees may feel it is
time wasting and people in the various departments in which they are temporarily working must also feel a commitment and involvement in the training if it is to work. Trainees are often not warmly welcomed and are seen by supervisors and workers in the department as obstacles to the daily routines. If well-structured and planned with the co-operation of all departmental supervisors, this method can be worthwhile learning experience.

1.15.2.4 Off-The Job Training

Off-The-Job training is sometimes necessary to get people away from the work environment to a place where the frustrations and bustle of work are eliminated. This enables the trainee to study theoretical information or be exposed to new and innovative ideas. The problem arises when those ideas or learning experiences do not appear to relate to the work situation. As we have seen from the research of Storey, (1991) the predilection for sending employees on courses which do not appear to have much relevance to the employee or the job (programmes) only enhances the negative view of this type of training.

1.15.2.5 Induction Training

One of the most important initial steps in the training process is the induction course. It has long been recognized that new employees often experience an induction crisis. The new recruit often perceives the new work environment as perplexing and even frightening. An unwelcoming or indifferent reception can ferment the view that it was a mistake to begin work there. Not surprisingly there is a high turnover rate in the first few weeks in many jobs which gradually trails off with increased service with the organisation. Much can be done allay the fears of the inductee.
1.15.3 Employees at Different Levels Require Training

Unskilled Workers require training in improved methods of handling machines and materials to reduce the cost of production and waste and to do the job in the most economical way. Such employees are given training on-the-job itself and usually training is imparted by their immediate superior.

Semi-Skilled Workers require training to cope with the requirements of an industry arising out of adoption of mechanization, rationalization and technical processes. These employees are given training either in their own sections of departments or in segregated training shops and other facilities are usually available. The more proficient workers, bosses or inspectors and lasts usually impart the training for a few hours. Training methods include instruction in several semi-skilled operations because training in one operation only creates difficulties in adjustments to new conditions, lends the colour of specialization to a job.

Skilled Workers are given training through the system of apprenticeship, which varies in duration.

1.16 PERFORMANCE APPRAISAL

1.16.1 Meaning of Performance Appraisal

Performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands. Often the term is confused with effort, but performance is always measured in terms of results and not efforts. A student, for example, may exert a great deal of effort while preparing for the examination but may manage to get a poor grade. In this case, the effort expended is high but performance is low. In order to find out whether an employee is worthy of continued employment or not, and if so, whether he/she should receive a bonus, a pay rise or promotion, his/her performance needs to be evaluated
from time to time. When properly conducted performance appraisals not only let the employee know how well he/she is performing but should also influence the employee’s future level of effort, activities, results and task direction. Under performance appraisal we evaluate not only the performance of a worker but also his/her potential for development. Some of the important features of performance appraisal may be captured thus:

- Performance appraisal is the systematic description of an employee's job relevant to his/her strengths and weaknesses.
- The basic purpose is to find out how well the employee is performing the job and establish a plan of improvement.
- Appraisals are arranged periodically according to a definite plan.
- Performance appraisal is not job evaluation. Performance appraisal refers to how well someone is doing the assigned job. Job evaluation determines how much a job is worth to the organisation and, therefore, what range of pay should be assigned to the job.
- Performance appraisal is a continuous process in every large scale organisation.

1.16.2 Performance Appraisal – Importance and Purposes

Performance appraisal has been considered as a most significant and indispensable tool for an organization, for the information it provides is highly useful in making decisions regarding various personal aspects such as promotions and merit increases. Performance measures also link information gathering and decision-making processes which provide a basis for judging the effectiveness of personnel sub-divisions such as recruiting, selection, training and compensation. Accurate information plays a vital role in the organization as a whole. They help in pinpointing weak areas in the primary systems (e.g., marketing, finance and production). It is easier for managers to see which employees need training or counselling, because jobs are grouped by categories can be broken into smaller and smaller groups, if necessary. If valid performance data are available, timely, accurate, objective, standardized and relevant, management can maintain consistent promotion and compensation policies throughout the total system.
McGregor (1957), says that formal performance appraisal plans are designed to meet three needs, the one of the organization and the other two of the individual, namely:

- They provide systematic judgements to backup salary increases, transfers, demotions or terminations.
- They are means of telling a sub-ordinate, how he/she is doing and suggesting needed changes in his/her behaviour attitudes, skills or job knowledge. They let him/her know “where he/she stands” with the boss.
- They are used as a base for coaching and counselling the individual by the superior.

Levinson (1970), has given three functions of performance appraisal:

- It seeks to provide an adequate feedback to each individual for his or her performance.
- It purports to serve as a basis for improving or changing behaviour towards some more effective working habits.
- It aims at providing data to managers with which they may judge future job assignments and compensation. The existing systems of performance appraisal do not serve any of these functions effectively but focus on ‘outcome of behaviour’.

On the basis of merit rating or appraisal procedures of various companies in India, the main objectives of employee performance appraisal are:

- To enable an organization to maintain an inventory of the number and quality of all managers and to identify and meet their training needs and aspirations
- To determine increments, rewards and provide a reliable index for promotions and transfers to positions of greater responsibility.
- To maintain individual and group development by informing the employee of his/her performance standard.
• To suggest ways of improving the employee's performance when he/she is not found to be up to the mark during the review period.
• To identify training and development needs and evaluate effectiveness of training and development programmes.
• To plan career development, human resources planning based on potentialities.
• It will thus, be seen that performance appraisal is an important tool of personnel management. It is a judgement of the characteristics, traits and performance of employees and has a wide range of utility.

The performance appraisal process provides an opportunity to communicate performance feedback, review the job description, plan upcoming goals and objectives and develop an individual development plan. The programme requires effort by both the employee and supervisor to identify strengths and improvement opportunities from a performance and development point of view. The goal of performance appraisal is to allow an employee the opportunity to progress to their full potential in order to meet organizational needs and his/her personal development goals. Through this process, true teamwork and maximum performance can be achieved. The foundation of the performance appraisal process is improved communications between the employee and the supervisor. The Employee Relations unit is available to assist managers, supervisors, and employees in utilizing the appraisal process and resolving workplace performance issues.

With the evolution and development of appraisal system, a number of methods or techniques of performance appraisal have been developed. The important among them are presented in the Fig. 1.5. Key elements of performance appraisal systems are presented in Fig. 1.6.
Fig. 1.5 Methods of Performance Appraisal

Traditional Methods
- Graphic Rating Scales
- Ranking Methods
- Paired Comparison Method
- Forced Distribution Method
- Checklist Methods
  - Simple Checklist
  - Weighted Checklist
  - Critical Incident Method
- Essay or Free Form Appraisal
- Group Appraisal
- Confidential reports

Modern Methods
- Behaviourally Anchored Rating Scales
- Assessment Centre
- Human Resource Accounting
- Management by Objectives
- Psychological Appraisals

Fig. 1.6 Key Elements of Performance Appraisal Systems

Human Performance → Performance Appraisal → Employee Feedback

Performance Appraisal → Performance Measures

Performance Measures → Performance Related Standards

Performance Related Standards

Human Resource Decisions → Employee Records

Source: Subba Rao, P., (2004), Essentials of Human Resource Management and Industrial Relations, Himalaya Publishing House, New Delhi. (Fig. 1.5 & 1.6)
1.16.3 Some Tips to Successful Performance Appraisals

Performance Appraisals are one of the least liked responsibilities of a manager. Some managers will go to great lengths to avoid doing reviews. But some others believe that performance management can be an enjoyable and rewarding process. Some tips for doing successful performance appraisals are:

1.16.3.1 Preparation

The key success in any endeavour is preparation, i.e., sitting down and creating objectives for the performance review. Think of setting objectives as drawing a road map by following a set of directions. It is also important to get employees' input on their own objectives, if we want to increase their commitment to achieving those goals. If employees feel that they have a say in their assignments, they will work harder towards the success of those assignments.

1.16.3.2 Feedback

It is the manager's responsibility to assess and give timely feedback to his/her staff on their performance. There are many benefits to doing this. Feedback on performance that is given as soon as possible has proven to be very effective. It also addresses two of the most common fears that managers have about performance appraisals, confrontations and surprises. Many managers avoid doing performance reviews because they fear confrontation. This is usually the result of a lack of communication between the manager and staff. Ongoing communication throughout the year is the key to reducing the fear and anxiety associated with annual review meetings. Continuous assessment and feedback ensures that there are no surprises, which in turn lessens the likelihood of a confrontation.
1.16.3.3 Review of Documents

Before sitting down with the employee, a review of all documents is necessary. One must have a look at the objectives that the manager and the employee agreed to and documented, at the beginning of the year. Any commendations/appreciation letters must also be looked into. Some organisations offer the employee the opportunity to create a first draft. Then the manager and the employee sit down to review the employee's progress before the actual review. This keeps the employee involved in the process and makes him/her feel that he/she is getting a fair evaluation. It is a great technique for reducing or eliminating biases.

1.16.3.4 Appropriate Setting

It is important to have an appropriate setting for the appraisal review. A conference room is best. The setting must enable the employees to relax. Consider meeting in the employee's office if it has a door, or borrowing a colleague's office. Avoid attending to phone calls, talking to a third person or any other distractions, during the review meeting.

1.16.3.5 Delivery of Appraisals

During the appraisal review, both good news and bad news must be delivered, of course in an appropriate language, when it comes to good news, some managers avoid it, because they are afraid to tell an employee that he/she has done a good job. Similarly, some managers feel a need to hide the bad news. They are afraid to hurt an employee's feelings, they fear an argument, or they just don't like to talk about someone's shortcomings.

To avoid any confrontation at the review meeting, managers should assess and give feedback to employees throughout the year on a continuous basis. Tell people straightaway what they have done well and where they need to improve.
1.16.3.6 Giving Encouragement

At the conclusion of the performance appraisal meeting, the manager's job is to encourage the employees. The manager must motivate their employees to continue doing well and to improve in the areas where there is room for growth. This is the best way to make these meetings productive and positive. Even if the employee's performance has not been as high as expected, remind him/her that he/she is still valued and that the manager will support him/her in their development.

To sum up, the performance management process is actually the organisation's best retention tool. Make the employees feel valued. As is widely agreed upon, salary discussions and performance review discussions should not be conducted at the same time. Well-conducted performance appraisals are a way of insureing that the managers are focused on managing change and continuous improvement.

1.17 INDIAN CEMENT INDUSTRY

Cement is the basic and most widely used building material in India. Growth of the industry essentially depends on the residential and commercial construction sector, which accounts for about 60 per cent of total consumption. In India, as is world over, demand for Cement has strong linkages with economic development. Highly capital intensive and cyclical in nature, the Cement industry received a great fillip in 1982 when Cement distribution was partially decontrolled. This led to a spurt in Cement production capacities. Further impetus was provided when owing to total decontrol in 1989, the producers were allowed to offload their entire output in the open market. Since then, capacity has steadily outpaced Cement demand.

Cement is a basic material which is used in all types of construction activities – industrial construction, housing, dams, bridges, etc., The Cement industry, therefore, plays a vital role in the country's economic development and its easy availability is an essential pre-requisite for rapid growth of the economy. It is considered one of the core sectors of the economy. The per capita consumption of Cement is rightly considered a barometer of the pace of the country's economic development. The Cement industry in
the country dates back to the early part of this century. The first Cement plant was set up in Porbunder in 1914; since then the capacity and production of Cement have grown steadily. At the time of independence, there were 18 Cement plants producing about 1.5 million tones of Cement.

The Cement industry was under price and distribution control for a pretty long time and there wasn’t much of an incentive for lowering production costs by adopting new technologies which were being developed elsewhere. With the abolition of government regulations, the situation has undergone a sea change. This has thrown up new challenges for the industry. Today, the industry has to think and act globally. The future of the industry, infact the very survival of individual units, depends upon their ability to optimize their operations, cut costs and thrive in the competitive environment.

1.18 HRD FOR WORKERS

According to Kith D’ Souza and Rakesh Kumar, (1997), today, we need to respond to the rapidly changing business and organizational environments. We are finding our market changing radically, placing more severe demands on quality of service and quality of products. The international production capacities have created immeasurable competitive challenges. The net result is that if we were simply to extend our current state of operations out into the future, without innovation of significance, we would at some point and in many cases a near point, finds ourselves out of business. HRD is to aim at playing a pivotal role in improving productivity and competitiveness of the organization, it should facilitate creating a work environment where employees are continually motivated to realize their full potential.

There is a growing uneasiness that somewhere along the line of all our ambitious and enthusiastic efforts in the area of HRD, perhaps we are leaving the most important person in our organization, the worker, behind and so it is appropriate to focus on this very important facet of the organization, the worker, and what HRD means for him or her.
Workers represent the largest organized segment of this country. They represent a tremendous amount of power. It is the same power which can withstand all kind of divisive and communal forces that are threatening India today. The greatest challenge in HRD for workers today is how can we make people conscious of the real issues that are facing our country, our economy and our society today. HRD should be tuned to ground realities. We cannot talk about HRD when people are still hankering for food, clothing and shelter. We cannot talk about HRD when people do not have the basic needs of living, proper working conditions. HRD has to advance from managerial development to worker development. The campaign cannot take a pause until the message reaches the lower most man on the shop and interventions are taken up for development at the grass root level.

With the increasing demands of competition and globalization, the expectation of the workers is also rising. The challenge before the HRD professionals and the line managers is to synthesize the demands of the organizations as well as the workforce in the interest of the organization as well as the workforce. If full benefits of HRD are to be experienced, it must be introduced as a total system within the organization. In addition, the commitment of the top management to the HRD systems, it willingness to invest time and other resources is crucial. The values of openness, trust, mutuality, collaboration and enthusiasm within the systems should be recognized by every member of the organization. If implemented properly, HRD can contribute to positive cultural changes, increased productivity and excellence in organizations.

1.19 ROLE OF HRD FOR WORKERS IN THE NEW CONTEXT

According to Kith D’ Souza and Rakesh Kumar, (1997), the promises and potential of HRD for workers in Indian organizations have assumed added significance in the context of the new liberalized economic and industrial policy. The challenges of globalization, technological innovation, increasing competition and growth through expansion, diversification and acquisition have important implications for human resource development. There are developments today which heighten the need for HRD for workers. In the last decade, the HRD efforts by organizations have tended to concentrate on managers and executives and left out workers, more often than not. The
neglect is as much due to lack of experience with HRD activities for workmen and low-risk capability of organizations, as due to the large size of the workforce and numerous unions to deal with some experience available in terms of training workers, taking an HRD approach to managing human resources, initiating new welfare measures and others workers development schemes, more organizations seem to be willing to undertake HRD for workers. While there is no denying the fact that it is the worker who should be the main beneficiary of HRD, HRD for workers has clearly not been seen or known as an area of emphasis for many organizations. It is universally recognized today that the success of any endeavour, including a business organization, primarily depends on the involvement of people, and it is this realization which has brought human resource development to the centre stage of the management process.

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1.20 ROLE OF EDUCATION IN HRD

Rao, T.V., (1991), pointed out that Education itself aims at development of human resources. Therefore, when we talk of HRD in education, we are talking about the development of those human resources involved in education. These include: teachers, headmasters, principals, support staff working in education institutions, heads of university departments, vice-chancellors, educational administrators at the local, district, state and central levels, planners and policy makers. Developing all these categories of people becomes extremely important as the effectiveness of education depends upon how well they perform their roles. People at different levels and performing different roles require different competencies to be effective in their roles.
These competencies are also changing from time to time as the environment is changing; knowledge base is continuously improving and the needs are changing. Such dynamic and changing environment requires an equally or even faster developing human resources to cope with it. Hence there is a need to develop continuously the capabilities of the people involved in education. The HRD needs in education should be interpreted in the context of the overall developmental needs of the country and should take into consideration the developmental plans in others sectors. Particularly the large-scale sectors like agriculture, rural development, industry, science and technology become very important.

Dhian, S. Bhaau and Prinyanka, D. Singh, (1995), laid emphasis on role of HRD in Education. Education is an effective means for the transformation of the society through the development of human resources. Human resources as recognized everywhere are the most invaluable assets at the disposal of any country. The various programmes and ways initiated for the development of education in India are not suffice and also not in the right direction to achieve the desired goal to wipe out the illiteracy in the country. The National Policy on Education, 1986, visualized and significantly realized the role of education for development of human resources. The universal provision of elementary education and eradication of illiteracy have been considered to be national priorities. Many existing programmes of educational development are being reformulated in the light of the past experience and some new programmes are also being launched to operationalise the strategy of human resource development envisaged in the policy of 1986. However, the basic aims and objectives of all types of educational systems is to create awakening among the general masses; to create semi-skilled and skilled labour force; to create experienced and fully equipped people in the society to face challenges of any kind which ultimately lead to the development of human resource. One of the major programmes in national reconstruction is the development of the human resource and in this, there can be no limit to the education to be provided. Human beings can be resource only when they have productive uses. In the broad sense, human resource denotes energy, skill, talent, knowledge and attitude of the human beings for productive purposes.
1.21 ADULT EDUCATION AND HRD

The field of HRD is often considered to be comparatively new. In both HRD and adult education, the focus is on the learner as an adult, but only the field of adult education has been plagued by innumerable discussions of what an adult is. In HRD learner is in the work force, and in most cases is employed, and the employer provides the learning. In adult education, the expectations are self-imposed by the adult. For some learning situations, the adult may be enrolled with the intent of using the learning, while in others there is no intent to use. This is strictly at the option of adult learner. For HRD, the expectations are essentially those of the employing organization, though it is hoped in most cases that there are mutual expectations. Adult education essentially uses a typology points out that adult learning needs are in the areas of social (the need to be with other people), learning (the desire to learn regardless of subject matter), and goal (the intent to use the learning in some situation).

There are various ways of development of human resources in a Country, they are:

✓ Formal education, from primary to secondary to the level of higher education,
✓ Technical and professional education
✓ Informal training and adult education programmes
✓ Improvement of health status of working population through health and medical help programmes and improvement in nutrition
✓ Self-development by taking formal correspondence courses
✓ Learning through informal contacts, and
✓ Migration

Human resource development improves the efficiency of the worker and propels his/her motivation. In both HRD and adult education, the focus is on the learner as an adult, only the field of adult education has been plagued by innumerable discussions of what an adult is. One criterion used to determine the minimum adult age levels is the point at which learner is no longer required to attend school. In HRD the learner is in the work force, and in most cases is employed, and the employer provides the learning.
Of course, there are some cases of non-employee HRD, but that is only a small part of HRD picture. In adult education, the expectations are self-imposed by the adult. For some learning situations, the adult may be enrolled with the intent of using the learning, while in others there is no intent to use. This is strictly at the option of the adult learner. In HRD, there is heavy emphasis on objectives and even on specific behavioural objectives. HRD has multiple goals. These include employee competency development, employee motivation development and organizational climate development. It also aims at preparing people for performing roles/jobs/tasks/functions which they may be required to perform in the future as they go on the organizational hierarchy or as the organization takes up new tasks through diversification, expansion, modernization, economization, etc., HRD tries to develop the potential of employees for future likely jobs/roles in the organization. Another aim of HRD is to identify competency gaps of employees to perform the present roles/jobs/tasks/functions effectively and create conditions to help employees bridge these gaps through development. Motivation development is also an aim of HRD, Zeace and Leonard Nadler, (1989).

1.22 NEED AND IMPORTANCE OF THE STUDY

HRD as a fascinating field attracted researchers and practising managers alike to investigate its varied practicing across organizations and examine critical managerial issues, problems and prospects. Increasingly, researchers viewed HRD and HRM as two separate yet interlinked domains that influence management system of performance in various ways. HRD is conceptualized as technique or a tool in the hands of management that influences all the spheres of management, be it production, supply-chain management, marketing functions or R & D management. On the other hand, HRM is generally portrayed as a set of processes managers evince experience and modify during their tenure. If HRM is in accordance with the desired HRD profile of the company, the organization is perceived to be functioning effectively. Otherwise, a mismatch between the two or the HRD being non-specific makes the organizational system degenerate or inadequate in performing well.
There are serious efforts to understand different components of HRD and HRM processes. Obviously, the synthetic analysis of HRD is directed to define in a concrete way what actions need to be taken for long-term personal and professional growth of employees so as to enable them to contribute and revitalize the system. Perhaps with this angle, Pareek and Rao, (1981), theoretically conceptualized HRD and its various components. The purpose of delineating HRD components was to stimulate, energize and set the professional tenor of the business organization; in the process it is more likely that managers and employees both are benefited. The major HRD components or drivers since then have been separately assessed and specific improvements have been suggested. A closer scrutiny of these drivers, named as performance appraisal system, training system, organization development, and career mapping are evaluated separately or together by the organizations as programmes to be implemented specifically as an integral part of corporate business plan. Of ablate a variety of theoretical conceptualizations and researches have sprung to explain HRD components and associated processes concerned with human resources management.

Human Resource Development is a crucial factor in determining the growth and prosperity of a business enterprise. The successful management of human resource is one of the indispensable concomitants of the sound performance of an organization. Human resource development aims to segment the productive capacities of workers through acquisition of skill and knowledge, need for work, thereby, stabilizing their employment, improving their social status and ultimately contributing to the development of society for developing human resources, the top management, policy makers, training personal, in-house training centre and external training agencies involved in the task of training, have to come together to find solutions to problems of training and Human Resource Development. The whole process of Human Resource Development includes sound selection procedure, organizational manpower planning, performance evaluations, reviews and appraisals and day-to-day loading and counselling. Most importantly it involves individual’s desires and commitment. In the current scenario, the management tries to optimize the contribution of human resources in achieving organizational goals and objectives. Clarity in Human Resource
Development values, systems, goals and Human Resource Development policies can very significantly improve the organizational effectiveness. This factor made the researcher to pursue present study.

1.23 STATEMENT OF THE PROBLEM

The industrial and commercial organizations have realized that human resources are the most important element in the field of success and failure of an organization. The human resource, the most crucial constituent within an organization is constantly being challenged by the changing process of Human Resource Development enabling to discover and exploit the inner potential of human force, to develop the organizational culture to establish a close but cordial rapport between the bosses and subordinates for an easy interaction to motivate the whole human force of organization. The need for having right number of workers of relevant categories and utilizing them efficiently assumes special significances. In this regard, an organization can’t afford either to be overstaffed or understaffed. Overstaffing entails an additional of labour costs while understaffing effects the quality of work and production. Hence Human Resource Development is most needed in a country like India not only for development of industrial and commercial sectors but also in service sectors.

To know about the systems, goals and strategies adopted by the management while practicing Human Resource Development, the types of activities taken up by the downsizing the structure, the Human Resource Development competencies needed for every employee to reform his/her role efficiently and effectively the researcher felt that there should be a serious and proper enquiry in the Human Resource Development practices adopted by the industry. Many studies have made regarding Human Resource Development but since very few studies have been made earlier insisting on different Human Resource Development practices persisting in the factory, the researcher got interested to take up a descriptive study. This study is made a view prepare a profile of Human Resource Development practices at Dalmia Cements Ltd., Tiruchirappalli to analyze the socio-demographic and organizational factors, which would influence the Human Resource Development practices.
1.24 OBJECTIVES OF THE STUDY

- To study the various human resource development practices through which various human resource development activities are being performed in Dalmia Cements Ltd., Tiruchirappalli.
- To find out the effectiveness of the human resource development climate of the organization in the study area.
- To find out the human resource development training effectiveness of the organization in the study area.
- To study the human resource development performance appraisal of the organization in the study area.

1.25 CHAPTERIZATION OF THE STUDY

The chapterization is done in the following manner. The first chapter contains introduction of HRD, HRD practices, HRD in Indian Cement industries, HRD in Dalmia Cements, statement of the problem, need and importance of the study and objectives of the study, chapterization and summary of the chapter. The second chapter deals with the introduction, review of related literature carried out in Indian and foreign countries related to HRD and its practices. The third chapter deals with the methodology of the study and it explains in detail about the research design, construction of tools for data collection and variables of the study and statistical techniques used in the study. The fourth chapter deals with the analysis and interpretation of the collected data. The fifth chapter deals with the findings and conclusions based on the analysis and recommendations, suggestions for further research. Then finally, bibliography and annexure containing interview schedule both in English and Tamil.

1.26 SUMMARY OF THE CHAPTER

The first chapter deals with the introduction of Human resource development with reference to the HRD practices being followed in Indian industries. The major practices which are being carried in Indian industries are focused here such as training, performance appraisal and HRD climate. The chapter also deals with the statement of the problem, need and importance of the study, objectives of the study and chapterization of the research work.