Chapter-II

Human Resource Development

- A Conceptual Exposition
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Human Resource Development: A Conceptual Exposition

The former chapter presented an outline of the entire research project comprising the objectives of the study along with the methodology adopted and the hypotheses framed proved through the application of statistical tools and also conversed about a detailed review of studies conducted earlier. In the present chapter, the Researcher has discussed the conceptual framework of Human Resource Development (HRD) at length to get acclimate with the subject.

Introduction

Human Resource Development (HRD) is a subject gripping paramount significance at a national level, and it is much more of prodigious germaneness in a developing and the most populous country like India. Over the years, organizations worldwide are becoming cognizant with the prominence of human resource. The real life experiences substantiate the assumptions that no matter how automated the activities of an organization may become, it is extremely challenging to manage it unless the human efforts are integrated with them. This realization has propelled HRD as a major area of study in recent years (Matthews et.al: 2000). The competitors can buy same or better machines or materials, but the difference between the high performing company and the one performing low lies in its people. An organization can rise only up to the level its people can take it to. HRD also associates the growth of the organizations with the development of its employees.

Human resource development is the process of developing the human resource working in an organization by modernizing their knowledge and upgrading their skills, attitudes and perceptions in order to meet out the changing trends of the globalised economy and also to utilize those developments for the attainment of the organizational goals (Michael: 1995). In the present scenario of globalization and liberalization, it is extremely important to understand the real worth of the people in any organization. It is not sufficient to address people as the strategic asset of the organization but to believe
that they are the real and the most important asset in any organization or firm. People are not just the packet of acquaintance and skills but they are the free agents who are proficient of handling the competition and dynamism of this era with their potential and are capable of bringing colossal values to an organization. HRD as an activity is extremely significant in achieving organizational excellence i.e. to excel with people, process and performance. To be a survivor in the present scenario of cut-throat competition, the organizations have to develop some appropriate HRD strategies to manage their work force in an organized manner and align their potential with that of their corporate missions and objectives (Deb: 2010).

Before going into the depth of the subject, it is worthwhile to comprehend the term clearly. The term ‘HRD’ comprises of two words i.e. ‘Human Resource’ and ‘Development’ which has to be defined separately. ‘Human resources’ in a general way are the people and their characteristics at work either at the national level or organizational level. In the words of (Megginson: 1982) “From the national point of view, human resources are knowledge, skills, creative abilities, talents and attitudes obtained in the population; whereas from the viewpoint of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees” and ‘Development’ is the acquisition of capabilities that are needed to perform the present job or the future expected job.

Human Resource Development aims at assisting people to acquire competencies that are being required to perform their duties in an efficient manner and to let the organization ripe the fruits of their know-how and talents. HRD is a process which is needed to make the people grow continuously and growth of people will ultimately lead to the growth and development of the organization (Rao and Pereira: 1986). It is the fundamental responsibility of HRD department to develop their manpower in a manner that could make them capable enough of handling the managerial obligations in a pervasive way and to sharpen their know-how in direction of meeting out the dynamic challenges of time (Michael:1995). HRD process might have existed to some extent in India earlier, but a professional outlook to HRD began only in 1970s. Larsen and Tourbo was perhaps the first company in India to design and implement a far-reaching and an integrated system of HRD in their company. Since, human resources are considered to be
the lifeblood of any innovative enterprise, their development and growth will also become the concern of the organization they are working with. HRD as an activity and as a process plays a crucial and noteworthy role in identifying the hidden potential of the workforce employed in the said organization and to polish their skills, talents and technical knowledge in order to develop them and to prepare them for facing the challenges on their own. It aligns the goals of the individual human and of the organization for the sole purpose of their fulfillment. Human resource is the most vital resource of any organization and with the rapidly changing market conditions, rising expectations of employees, technological advancement and amendments in management systems have necessitated the acknowledgement of development aspect for human resource and to recognize the significance of their upgradation and progression (Rao:2005).

Hence, we could say that HRD is an organized learning experience aimed at matching the need of the organization with those of the need of the individuals for career growth and development. It is a systematic process of producing behavioral changes in human workforce to develop their knowledge and skills to become capable of facing the competitive edge in today’s globalized era.

**Definitions of HRD**

To appreciate the significance of the term ‘HRD’ many economists, thinkers, social scientists, and industrialists come forward to define the term from different aspects. Certain eminent definitions of HRD are:

“Human Resources Development (HRD) as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement” (Kelly: 2001).

In the words of M.N. Khan “HRD is the process of increasing knowledge, skills, capabilities and positive work attitude and values of all people working at all levels in a business undertakings” (Khan: 1987).

According to Pareek, U: 1991, “HRD is a new systematic approach to proactively deal with issues, related to individual employees and teams, and organizations and a
movement to develop organizational capability to manage change and challenge” (quoted by Singh: 2008).

Prof C.S. Sanker observes, “HRD is a development oriented planning efforts in the personnel area which is basically concerned with the development of human resources in the organization for improving the existing capabilities and acquiring new capabilities for achievement of the corporate and individual goals” (Sanker :1984).

Dr. Len Nadler says, “HRD means an organized learning experience, with an objective of producing the possibility of performance change” (quoted by Gupta and Gupta: 2008).

HRD in Organizational context has been rightly defined by T.V.Rao and his definition, which has also been termed as the national definition of HRD in India. According to Prof. T.V.Rao, HRD is a continuous process to:

- Acquire or sharpen capabilities required to perform various functions associated with present and future needs of the job.
- Develop their general capabilities as an individual and enable them to exploit their inner potential.
- Develop a congenial organizational climate in which dyadic relationship and team collaborations among sub-units are strong and contribute to the professional well-being of employees (Pareek and Rao: 1981).

Stewart and McGoldrick: 1996 wrote authoritatively in the HRD area, suggest that the question of what is HRD is not amenable to any definite answer, therefore he offered a ‘tentative’ definition of HRD as follows: “Human resource development encompasses activities and processes which are intended to have impact on organizational and individual learning. The term assumes that organizations can be constructively conceived of as learning entities, and that the learning processes of both organizations and individuals are capable of influence and direction through deliberate and planned interventions. Thus, HRD is constituted by planned interventions in organizational and individuals are capable of influence and direction through deliberate and planned intervention”. With the advent of globalization, where mergers and acquisitions are taking place, there exists a difference among the perceptions and
practices of HRD in different countries, there national culture is reflected in their thoughts having influence of their internal environment of their economy. Therefore, the definition given by Swanson and Holton (2001) has been referred as the Western Definition of HRD which is- “HRD is a process for developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance” Since more and more organizations are going global and the whole world is emerging as one single economic market there is a need for a global concept of HRD which is applicable everywhere. In this regard G.N.McLean and L.D.McLean offered a definition which could be termed as the Global definition of HRD which is as follows: “HRD is any process or activity that, either initially or over the long term, has the potential to develop work based knowledge, expertise, productivity and satisfaction, whether for personnel or group/ team gain, or for the benefit of an organization, community, nation or ultimately, the whole of humanity”. And all the national, Western and global definition gives birth to a new definition of HRD suggested by Lynham and Cunningham, 2004- “HRD is a process or processes of organized capability and competency based learning experiences undertaken by employees with a specified period of time to bring about individual and organizational performance improvement, and to enhance national economic cultural and social growth” (quoted by Deb: 2010).

**Concept of Human Resource Development (HRD)**

Human Resource Development (HRD) is a positive concept as an area of managing human resources. It is based on the belief that it is imperative and constructive for an organization to invest in human beings to bring substantial benefits in the long run. It aims at the overall development of the human resource in order to contribute for the well-being of the employees, organization and the society at large. Out of the fundamental areas of Management, Human Resource Management is adjudged as the most important area of study and concern. In the Management of four Ms i.e. money, machines, materials and men, the management of men is the most significant and challenging. The efficiency of the whole lot of activities carried out in an organization starting from the production process to the management of various areas of
administration depends to a large extent on the level of Human Resource Development. (Swarajyalakshmi: 2004).

The paradigm of managing employees has undergone rapid transformation in the last decade, from comparative advantage to a state of continuous innovation, intelligent framework and strategic intent for competitive advantage. Today’s personnel are more demanding and have high aspirations. They demand early up-gradation of their skills and competencies. This implies that the organizations should develop appropriate HRD policies and take care in formulating and implementing such policies by keeping in mind the objective of the firm and integrating those objectives with that of the organization (Deb: 2010).

HRD is rooted in the belief that human beings have the potential to do well. It therefore, secures a premium place for the dignity and tremendous latent energy and potential of people. Where the balance sheet shows people on the debit side, HRD seeks to show them as ‘assets’ on the credit side. In the present era of liberalization and globalization HRD is emerging as an interdisciplinary and integrated approach for the development of human resource.

According to Prof. T.V. Rao, HRD is a continuous process to:

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- Develop their general capabilities as an individual and enable them to exploit their inner potential.
- Develop a congenial organizational climate in which dyadic relationship and team collaborations among sub-units are strong and contribute to the professional well being of employees (quoted by Pareek and Rao: 1981).

Accordingly, HRD has proved and has been accepted widely as one of the most effective tools that ensure the overall development of the organization. It is a process which aims at developing the know-how and skills of the human resource in an organization and to upgrade their potential in order to make them competent enough to beat the competitive edge. Development means improving the existing capabilities to the work force and helping them to acquire required capabilities for the achievement of corporate goals integrating those with the individual goals. HRD is a process, not merely
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A set of mechanisms. HRD is an area of study which is getting broader and broader with time. Many eminent writers have contributed in this regard and the concept is been getting wider. From National to Western concept of HRD and now with the advent of globalization Global and New concept of the subject has knocked the doors of Researchers (Rao and Pereira: 1986).

Hence, the diverse concepts of the subject also kept in vigilance the development aspect and embark on the importance of improvement of skills and talents, knowledge and working behavior of the human resource. Development is the acquisition of capabilities—that are needed to perform the present job or the future job in well-organized manner.

**Historical Perspective of HRD**

The early part of the century witness a concern for improved efficiency through careful design of work. Emphasis of improved efficiency had been shifted to the availability of the managerial personnel and employee productivity during the middle of the century. Recent decades have focused on the demands for technical personnel, responses to the new legislation and regulatory framework of the government, increased concern for the quality of working, Total Quality Management (TQM), and a renewed emphasis on productivity. The term HRD has been growing at a very fast pace in the recent past. But the formal introduction of the concept was done by Prof. Len Nadler in 1969 in American Society for Training and Development Conference. In India, it Larsen and Toubro ltd was the first company to design and implement this concept in 1975 among the private sector companies with an objective of facilitating growth of employees, especially people at the lower levels. Among the public sector government company, it was BHEL which introduced this concept in 1980 (Rao: 2005). The development of human resources in UK and USA was largely voluntary. But in India, it emerged because of governmental interventions and compulsions. It focuses the developmental aspects of human resources with a pragmatic and a flexible approach. The intended purpose of HRD efforts is to gain a competitive advantage in the market place through a superior workforce (Pattanayak: 2005).
There are several trends from which the concept of HRD has emerged. Let us look into those trends more closely by examining the transformation of personnel function from one stage to another in a chronological sequence.

**Table 2.1 Evolution of HRD in a Chronological Sequence**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Commodity Concept</td>
<td>Human resource was referred as ‘a commodity’ to be bought and sold. Wages were decided on the basis of demand and supply forces. Government also did not care much about the work force at that time.</td>
</tr>
<tr>
<td>The Factor of Production Concept</td>
<td>Labour is treated as any other factor of production, viz; money, material, land, etc.</td>
</tr>
<tr>
<td>The Goodwill Concept</td>
<td>Welfare measures like safety, first aid, lunch room, rest room etc. These measures proved to be a source of boosting up the morale of workers, and enhancing their performance.</td>
</tr>
<tr>
<td>The Paternalistic Concept</td>
<td>Management must assume a fatherly and protective attitude towards employers. Paternalism does not mean merely providing benefits but it signifies to satisfy various needs of employees just as parents meet the requirements of the children.</td>
</tr>
<tr>
<td>The Humanitarian Concept</td>
<td>To improve the productivity, physical, social and psychological needs of workers must be fulfilled. Elton Mayo and some other along with him stated that money is less a factor in determining output, than group standards, group incentives and security. The Organization is a social system that has both economic and social dimensions.</td>
</tr>
</tbody>
</table>
The Human Resource Concept

Employees are the most valuable assets of an organization. There should be a conscious effort to realize organizational goals by satisfying needs and aspirations of employees.

The Emerging Concept: HRD

Employees should be accepted as partners in the progress of a company. They should have a feeling that the organization is their own. To this end, managers must offer better quality of working life and provide opportunities to people to exploit their potential fully. There should be opportunities for self-fulfillment in one’s work. The focus should be on

Source: Rao, V.S.P (2005), Excel Books, New-Delhi

From the Commodity concept, going through the factor of production, goodwill and paternalism, the era of concepts moves towards the humanitarian and human resource concept and finally reaching to the concept of HRD. Therefore, the above mentioned table exhibits the chronological arrival of various concepts that have prevailed and are prevailing in the society at large. (Rao: 2005)

Theoretical Foundations of HRD

The field of Human Resource Development (HRD) in the organizational context has been borrowed from other disciplines such as Psychological theory, economic theory, and system theory. A theory is a general statement or set of related statements about cause and effect, actions and reactions. The main purpose of discussing these various foundations is to acknowledge the fact that HRD should continue to develop as a discipline and the integration of economic, psychological and System theories serve as a unique theoretical foundation of human resource development.

- Economic Foundation of HRD

Business traced its roots in the early stages of human civilization in one form or the other and every business activity is necessarily an economic activity. To give and to take has been the two aspects over which the base of business lies. In the earlier period of time, it was carried out on individual basis, but with the passage of time it turn out in the shape of a formal and an organized structure, which is popularly known as an
‘Organization’. The economic justification of having HRD in the organizational context is depicted below:

**Figure 2.1: Economic Foundation of HRD**

An organization is an organic entity through which business is carried out primarily for achieving economic objectives of the organization. As could be seen from the above figure 2, it is being represented that the economic theory holds the epicenter position in the evolution of the concept of human resource development in context of an organization. Economics is the study of how scarce resources are optimally utilized and how these scarce resources are allocated. It consists of certain concepts of efficiency which could help in designing a framework for ensuring maximum societal well-being. Thus, economics is considered to be the theory of Human Behavior.

- **Psychological Foundation of HRD**

  From the organizational point of view, psychology is concerned about the individual behavior at work. For an organization to be effective and well-organized in the present competitive edge and global scenario, it must take great care of maintaining a cohesive working environment where the working conditions are integrated with the talents and skills of the human resource. The application of psychological tools to solve
problems of the employees working in the organizations facilitates their integration with the organizational climate and results in enriched and enhanced performance.

**Figure 2.2: Essentials of a Psychological Theory**

![Essentials of a Psychological Theory diagram](source: Deb: 2010, Ane Publishing Pvt. ltd.)

This theory operates at the individual level as well as at a group and at organizational level. It explains the way how the perceptions, attitudes, behavior of an individual can affect upon the technologies, internal sub-systems, processes, goals and objectives of the organization. Understanding the psychological perspective is critical to the organizational performance because it brings key skills and perspectives that effectively facilitate change in culture and shifts in strategy to address the complex challenges and risks facing organizations. To nurture the organizational effectiveness, there is a need to strike a balance between the individual needs and goals with that of the organization. Human considerations such as adapting with the dynamic changes of time, organizational decisions based on the performance of the employees, perceived equity has immense impact on individual performance and ultimately sways over organizational performance. The working environment should be so congenial that the employees working there should feel relaxed and satisfied.
Systems Foundations of HRD

Systems theory was founded by Ludwig von Bertalanffy, William Ross Ashby and others in the mid of 1940s-1970s on the principles from the fields of physics, biology and engineering and later on included further fields of philosophy, sociology, organizational theory, management and economics among others. It sees the world in terms of ‘systems’ where each system is a ‘whole’ that is more than the sum of its parts, but also itself a part of larger system. System theory is the trans-disciplinary study of the abstract organization of phenomena, independent of their substance, type, or spatial or temporal scale of existence. Systems Theory or General system theory is an interdisciplinary field, which studies the systems as a whole.

Since organizations interact with the external environment and maintain a synch between the internal affairs of the organization and the business environment, it is termed as an open system. This theory is based on the assumption that an organization or an individual cannot develop in vacuum, they have to expose themselves to the external world for growth and development. In the organizational context, HRD is a sub-system and a system of its own because human resources are the prime movers of all other physical resources and transform those input resources into valuable output in the form of product and/or services. This transformational process involves a host of human resource development processes, because of the reason that human efforts are required to augment the performance by familiarizing changes in human behavior. To describe the system model this theory is tried to be expressed with the help of a diagrammatic model as below:
Figure 2.3: System Model of Organization


As clearly shown from the above figure 3, an organization is the composition of various agents, viz; customers, suppliers, government, competitors and distributors and several approaches followed in the organizations viz; Goal approach, Resource Based Approach and Internal Process approach to achieve the organizational goals on a continuous basis. The focus of these theories is to maintain a continuous trend of development in the practices of HRD (Deb: 2010).
Emergence/Need of HRD

The subject ‘HRD’ is a new and emerging concept and is of topical interest with increasing importance. The government of India has recognized the relevance of HRD and has created a separate ministry under the control of a fully fledged Cabinet of Ministers. The real strength of the country lies in the development of human mind and body (Gupta and Gupta: 2008).

It was also rightly expressed by an eminent philosopher from China, Kuang Chung Trum (quoted by Deb: 2010) during the period of 7th Century B.C. He said,

“If you wish to plan for a year, sow seeds;
If you wish to plan for ten years, plant trees;
If you wish to plan a life time, development”

Since human resources is the life line of an organization and the process of developing this resource is highly significant for the managers to achieve the goals and targets of the organization. Therefore, HRD is needed by any organization that wants to be dynamic and a survivor in the present scenario of cut-throat competition. In the rapidly changing environment, organizations can scale new heights only through the effective and efficient use of human resources (Deb: 2010). To keep the pace with the ever changing environment, organizations must develop its people and allow them to grow. HRD system must be viewed as a total system interacting with other systems of an organization. Therefore need of HRD arises to improve working life, to develop potential of employees and utilizing the human resource in an optimum manner to exploit their potential by availing opportunities for further development and growth. In a nutshell, HRD is needed because:

- It is helpful in creating a congenial environment and improves the working life of human resource,
- It helps in facilitating effective communication to surface creative ability of employees in full swing,
- It enables the members to attain self-actualization through systematic process of development,
- It facilitates tapping the present and future creative abilities of the people to utilize them for organizational development.
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- It is helpful in accelerating the growth of employees and making them aware about their strengths and weaknesses,
- It is helpful in developing the skills of workforce in a way to make them competent enough to exploit the available opportunities in an optimum manner (Sheikh: 2009).

Objectives of HRD

Human Resource Development is basically the process of developing the workforce working in any organization by enhancing their knowledge and skills through proper training and guidance. It ultimately aims at achieving the organizational goals by combating them with the goals of the individuals working in an organization. There are certain objectives for implementing HRD in any organization which aims at developing (Rao: 2005):

- the capabilities of each employee as individuals;
- the capabilities of each individual employee in relation to his/her present job;
- the capabilities of each individual employee in relation to his/her expected future role;
- the superior-subordinate (dyadic) relationship;
- a cohesive and congenial atmosphere of working;
- collaboration among different units of an organization;
- to develop the constructive mind and overall personality of employees;
- the organization’s overall health and self-renewing capabilities which in turn increase the organizational capabilities in a comprehensive manner;
- to humanize the work in an organization; and
- to ensure better quality work, higher productivity and higher profits.

Benefits of HRD

Henry Ford the pioneer in the field of management states, “Take out my building, take out my machines and all capital but leave my men with me I will become Henry Ford again.” This statement of Henry Ford highlights that human resource plays a crucial role in an organization. Development of this resource is of absolute significance in achieving
the organizational goals and also to become capable of capturing the survivor position in this era of cut throat competition. Human Resource Development is the kingpin around which all the activities of an organization revolve. It is a process which plays a significant role in learning and modification of behavior of employees in an organization. HRD is considered as the key to higher productivity, better relations and greater profitability for any organization.

Here are some important benefits being discussed in brief which are the outcome of implementing HRD in any organization:

- HRD helps in identifying organizational goals through better understanding of employees,
- HRD fosters commitment through the communication of values,
- HRD facilitates dyadic relationship,
- It facilitates job enrichment through proper training and acquisition of new skills,
- HRD increases the awareness of the importance of change management and consequent adaptability of employees,
- HRD provides higher quality of work life through opportunities of a meaningful; career, job satisfaction and professional development,
- It focuses on need contentment through recognition and achievement. With appropriate HRD programme, people become more committed towards their job, people are assessed on the basis of their performance (Deb: 2010)
- HRD makes people more competent. It develops new skills, knowledge and attitudes of the people in the organization concerned,
- A congenial and a cohesive environment could be developed with the implementation of HRD programmes,
- Employees found themselves more capable of handling competition,
- Proper HRD policies promote openness in the attitudes of the employees working in the organization, it contributes to the overall growth of the employees,
- Resources are utilized in an optimum manner,
- It helps in developing a sense of belongingness among the employees and increases the participation rate among them,
It also helps in collecting data for human resource planning (Khurana et al: 2009).

Hence, implementation of Human Resource Development (HRD) is essential and advantageous for the organization. It improves the performance of employees through proper training and develops openness, trust, collaboration among the employees to identify the organizational needs and shows the path to move on for achieving the same.

**Philosophy of HRD**

Every organization that hires people to carry out its work, whether it is a business entity, an institution, any government department, or any hospital etc. in every sphere of life, there are human and their efforts are needed to be integrated with other resources for accomplishing the task. This process of planning the development of HRD comprises of certain parts, and HRD philosophy is perhaps the most fundamental part of a HRD plan. It represents those beliefs, ideals, principles and visions etc. which are possessed by the management in respect to the development and growth of its employees. A well-established HRD philosophy plays two important functions. Firstly, it may give rise to one what may call ‘style of management’ i.e. the art of how management works in a particular situation depends upon the philosophy adopted. Secondly, philosophy makes the organizational goals more explicit and precise. There are certain beliefs that are commonly being practiced for the success of any HRD programme; those ideals are discussed here below:

- Human beings are considered to be the most valuable asset of the organization.
- Human resource can be developed at any time and to an unlimited extent.
- It is very important to nurture the ‘sense of belongingness’ in the employees, so that they could feel committed towards their work and the organization.
- Employees are more committed towards the organization, where the management takes excessive care for the fulfillment of the basic needs and welfare of the employees.
- In any organization where the employees are given the autonomy of working independently without any interference of superiors, employees are observed to
be more responsible and devoted towards their work, they become very keen to render the best of their efforts.

- It is the foremost duty of every manager to discover the hidden potential of the employees and to utilize them in an optimum manner.
- The atmosphere of the organization should be congenial, healthy, and motivating, so that the workers could feel comfort while working.
- The higher the level of authority of a person, the more alert he should be while examining HRD functions in order to ensure its effectiveness.
- The HRD climate of the organization should be very cohesive.
- Perfect dyadic relationship should exist in the organization for smooth functioning of the organization.

In the context of ideal philosophy, the management and principles of Tata Jamshedji, owner of Tata Iron and Steel Co. is the perfect example. He believes that obligations are effectively discharged by the organization towards its employees through the following principles, given below:

i. By a realistic and generous understanding and acceptance of the needs and rights of the employees,

ii. By the awareness of the social responsibility of the industry towards the society at large,

iii. By providing adequate wages, good working conditions, job security, and by facilitating an effective machinery for the early redressal of the grievances of the work force,

iv. By providing suitable opportunities to the employees for promotion and self-development,

v. By developing the sense of belongingness, trust and loyalty among the workers through a humane and purposeful awareness of their needs and aspirations,

vi. By developing and maintaining dyadic relationship in the organization at various levels of management.

Therefore, to become effective and to employ efficient workers, the management should have better visionary ability to design the prospects for the growth of the
employees by taking good care of their working conditions, providing them better welfare measures, by treating them humanely.

**Difference between HRM and HRD**

The discipline of HRD was developed because the human resource management function failed to meet the new challenges of the 20th century. Some of organizations have merely redesigned their personnel departments as HRD departments. But there are certain differences in both the areas:

- Human Resource Management (HRM) is viewed as a set of independent sub-functions while Human Resource Development (HRD) is seen as a system of a larger system in an organization.
- HRM is considered as mainly a service function enduring with the demands of the organization as and when they arise, but HRD is considered as a proactive function which forecasts the needs of the organization and keep itself prepared to face the unseen competition in an organized manner.
- HRM is a narrower concept which aims at developing and administering people only. HRD is a wider concept aims at developing not only its people but its whole organization.
- The main focus of HRM is on enhancing skills and increasing efficiency of people in the organization whereas HRD is based on the concept of building up the right organizational climate that could discover, nurture and utilize human capabilities in an optimum manner.
- In HRM, main motivators are salary, wage incentives and job simplifications. On the other hand, HRD relies on job enrichment, job challenge, informal organizational climate, autonomous work groups and creativity for motivating the work force in the organization.
- HRM is supposed to be the exclusive responsibility of the Human Resource (HR) Managers and their concerned department. But HRD is considered as the responsibility of all the managers in an organization. In fact, HRD aims at developing the capabilities of all the line managers to carry out various human resource management functions themselves.
Under HRM, higher morale and satisfaction are regarded as the cause of improved performance. On the contrary, HRD perceives improved performances as the cause of improved job satisfaction and morale of employees on work (Gupta: 2007)

**HRD Mechanisms/Sub-Systems**

Human Resource Development (HRD) is an organizational framework for improving and developing their human capital for which the management implement certain sub-systems or methods. The intended purpose of implementing such HRD instruments is to gain a competitive edge in market place through a competent and capable work force. Methods of HRD can focus on teaching the necessary skills to the employees on the job, more specific abilities that help to accomplish any task or responsibilities in an organization; it improves technical and communicative skills which improves the efficiency of employees (Sheikh: 2009). There are different types of sub-systems/mechanisms/methods which are employed to implement HRD in an organization viz;

- Performance Appraisal
- Potential Appraisal and Development
- Career Planning
- Training and Development
- Career Development
- Organizational Development
- Role Analysis
- Employee Welfare and Quality of Work Life
- Self-Renewal and Institution Building
- Rewards
- Quality Circles, Task forces and Assignment Groups
- Employee Counseling and Coaching

These sub-systems or instruments may vary depending on the size of the organization, the internal environment, the support and commitment of the top management, the
competitive policies, etc. These sub-systems are designed to develop the competencies of employees and improve the overall organizational climate. The various sub-systems are discussed in detail below:

**Performance Appraisal**

It is an indispensable aspect of HRD of analyzing the performance of employees which enables the management to understand where their people stand, what is been expected from them and what they are actually contributing. The purpose of designing the mechanism of performance appraisal is to portray the actual position of past and/or future employee’s performance. To meet this, the targets of performance are set which are being desired to be attained by the organization. The targets are based on job-related criteria that best determine the successful job enactment. Performance Appraisal is the most crucial HRD instrument, under which the performance of the employees is periodically appraised in the light of the difficulties faced by the employees, along with the identification of their growth needs (*Tripathi: 1997*). It is a process of rating the performance of an employee of his job in a systematic way. The purpose of conducting such an analysis is to assess the present position of employees and to forecast the need for training. Performance Appraisal consists of

- Job Analysis
- Establishing Performance Standards
- Communicating Performance Standards to the employees
- Measurement of actual performance
- Comparison of Actual with the Standards developed and evaluating deviations in performance
- Taking Corrective Action, if necessary (*Sheikh: 2009*)

**Potential Appraisal and Development**

The term ‘potential’ refers to the abilities and skills possessed by an employee. It is different from performance appraisal which shows an employee’s current performance in his existing role. The purpose of Potential Appraisal is to develop latent abilities of individuals. It provides all important information regarding individuals that could be beneficial for them in framing career opportunities. It ensures a good match between the
potential of employees and their job. Nowadays, organizations are diversifying their operations which demands cognizability on the part of employees working in an organization. To meet these needs, organizations may require employees which are competent enough to beat the competition of today’s dynamic world. Therefore they have to make a potential appraisal of the present employees so that they can undertake a variety of tasks. The appraisal is carried out on the basis of (i) supervisor’s observations, (ii) data retrieved from the earlier performance of the employee’s, (iii) performance on roles in simulated settings related to a new position. (Rao: 2005)

**Career Planning**

Planning of Career is of utmost importance for the growth of employees. The first and the foremost step in career planning is to make one’s SWOT analysis-an analysis of Strengths, Weaknesses, Opportunities and Threats present in an individual. Career must be planned in accordance with the education, training, job search and them work experience. Employees should trace their career in the light of their individual needs and capabilities. They should be aware of their potentiality and capabilities that could exploit the available opportunities and career should be planned accordingly.

**Organizational Development**

It intends to change beliefs, attitudes, values and structure of organizations that they can better become accustomed to new technologies, markets and challenges at the dizzying rate of change itself. Since organization is an open system, therefore it must develop itself by adopting various changes that come across in the persistently changing environment it emphasize on the adoption of appropriate interventions that could cope up with the ongoing activities of the organization. It provides a framework in which changes in climate and culture of the organization takes place. It enables an organization to harness human potential for attaining organizational objectives. O.D. includes survey feedback, team-building interpersonal sensitivity training, M.B.O, brain storming, process consultation, stress management, etc.
Employee Welfare and Quality of Work life

Welfare of employees should be the prior issue among the managers in an organization. Since employees are considered to be the greatest asset in any organization, their welfare must be given preference by the management. Proper healthy and hygienic working conditions and a cohesive environment must be provided to them which could motivate them for exhibiting better performance at work. The work life of the employees should be of good quality so that they could feel comfortable at work and a sense of belongingness would be developed among them, enabling them to perform in an organized and optimum manner.

Rewards

Reward is the appreciation of work in the form of bonus, promotion, salary increment, control of preferred job assignment etc which enhance the morale of employees and motivate them to work with more zeal and enthusiasm. It is the utmost important task of HRD department to look after the reward that has to be given to the deserving employees over and above their usual wages and salaries. It increases the productivity and leads to maximum utilization of resources. Slow work tendencies of some employees could also be removed for the sake of being acknowledged by the management in an organization. Rewards are of two types viz; intrinsic and extrinsic. Intrinsic rewards are those which are received by the individuals themselves as a result of satisfaction on job. Extrinsic reward on the other hand is in the form of direct compensation to be linked with the assessment of performance of employees at work.

Quality Circle, Task forces and Assignment groups

Quality Circle is a small group of workers engaged in similar type of job. It is a participative type of management system which enables the people involved to seek guidance from a trainer to understand certain issues related to their job and to find out solutions for the same. They meet voluntarily with each other on regular basis for an hour per week, during office hours under the supervision of a supervisor who provide them required training. It promotes respect and understanding among the subordinates and
Training and Development

Training refers to the systematic process of developing the competencies relating to the job of employees for the present and future roles and responsibilities in the organization. It includes:

- Assessing employee training needs;
- Setting performance goals;
- Planning developmental strategies accordingly;
- Diagnosing the available aids for internal and external training;
- Developing strategies for training, Programmes and modules; and
- Evaluating training efforts.

Training Programmes are designed to increase the knowledge, skills and capabilities of the employees in order to make them competent to face the dynamic challenges of globalization. Training is necessary to enhance the performance of the employees at job for better outcomes. To be effective, training programme should be premeditated in a systematic way—backed up by the careful needs assessment and thorough analysis of results. Training is very essential to develop the skills and enhancing the competencies of the work force in an organization for make them capable of handling big responsibilities

Role Analysis

Role is set of expected behavior patterns attributed to a person occupying a given position in a unit. It is a process of accumulating, examining and recording the information to define the requirement of the roles in order to provide a basis for the role profile. Role analysis is a technique of maximizing the contribution of human beings in attainment of organizational goals. It lays emphasis over the demands made by the role holder, of what they need to learn and of what they are capable of performing. However, such analysis should be conducted periodically and must be designed according to the constant changes taking place in internal and external environment in which the
organization exists. The role should be developed in a way that could create compatibility among the organizational strategies and the employee’s needs.

**Self-renewal System**

Organizations are the interactive social system of our society. They must adapt themselves with the ever-changing environment in which they exist. Proper research regarding the opportunities and threats must be conducted which should be backed by regular feedback. Self-renewal system implies that an organization must keep itself updated and upgraded with time. It should be ready to face any type of competition and must be competent enough to survive in the era of cut-throat competition. Self-renewal system requires role efficacy, team building etc. activities for employees.

**Employee Counseling**

It is an essential instrument of HRD. It is a process of dealing with the emotional problems and issues of the employees to make them feel light and relaxed at work. It may be of different types viz; appraisal counseling, career counseling, disciplinary counseling etc. It is being done to enable the employees to have positive attitude towards work and to improve their performance. Employee counseling is a process of handling the psychology of the employees and making them happy at work so that they could feel gratified while working which ultimately leads to improved and enriched performance. *(Deb: 2010).*

**Career Development**

The action plans undertaken by the organization and the individual employee to meet out the demands of their job and career aspirations is to be termed as Career Development. It refers to a set of programmes designed to match an individual’s needs, abilities and career goals with current and future opportunities in the organization. Since, Career Development focuses on future prospects of development and growth; it has essentially a long term orientation. It consists of all those activities that could promote the development of an individual’s career *(Prasad: 2009).*
Contributions of Sub-Systems to Attain HRD Goals

Each of the mechanism as stated above is formulated for the attainment of the goals of the said organization and contributes for the same. Training as a tool is being used to develop the competencies of the employees, and to enhance the personality of the individual so as to make him capable of handling more responsibility with ease and effectiveness. Training can also improve inter-personal relationships, and increase teamwork and collaboration through management and leadership training, and team-building programmes. Performance Appraisal is implemented to appreciate the efforts and work of employees and to boost up their morale for better results. Feedback helps in getting familiarize with the work performance and to become aware with the loopholes, to improve the performance. For improving the team-spirit and self-renewing skills, organization development is helpful. Potential appraisal focuses primarily on discovering the hidden potential of the employees, and to acknowledge the future roles they are likely to take up. Efforts are made to promote employees welfare and ensuring the quality of work life, along with honors and rewards, creation of a congenial working environment for promoting development and motivating employees to work in better conditions. For synergic benefits, the above mentioned sub-systems could not be thought in isolation. These mechanisms have to be integrated with the organizational working system. HRD mechanism should lead to the generation of HRD processes like role-clarity, performance planning, cohesive working and development oriented climate, risk-taking and dynamism in employees. (Pattanayak: 2005).

Hence, the functioning of the sub-systems of HRD is of utmost significance in making the HRD programme and policies active and more efficient. These mechanism are development oriented and they have to be integrated with the working system in an organization to enhance the performance of the work force by providing them required training, appraising their efforts on a regular basis, to identify the potential of the employees and encourage them for better performance, by giving them a quality work life with better working conditions and assisting them by providing several welfare measures for further development.
Principles of HRD

The major principles which should be kept in mind while framing the aspects of development of the human resource are as follows:

- **Principle of Development of Organizational Capability**
  An ideal HRD system should be based on the principle of overall development of employees and the organization as a whole. The capabilities include overall development of the work force in all aspects, may it be technical, physical, psychological or moral development in an organized manner.

- **Principle of Potential Maximization**
  HRD system must enable their employees to identify their hidden potential and make them competent enough to exploit their talent in an optimum manner so that they could contribute their efforts in attaining organizational goals.

- **Principle of Autonomy Maximization**
  Autonomy is the degree of independence given to employees at work so that they could be able to tackle responsibility to some extent of what they are capable of handling. A proper HRD system must provide certain level of autonomy to its employees enabling them of handling duties on their own.

- **Principle of Maximum delegation**
  Delegation of responsibilities means sharing responsibilities of authorities with subordinates so that a cohesive and a congenial environment could be developed in an organization.

- **Principle of Participative Decision-making**
  Participation of subordinates must be encouraged by top level managers in an ideal HRD system to create a comfortable working atmosphere where workers are free to discuss their ideas and always welcomed for suggestions.

- **Principle of Change Management**
  Change is the only permanent thing in this universe but usually people resists change. To beat the competition an organization and its human resource should be as much flexible in getting itself adapt to the changing scenario of 21st century. A
good HRD system must attempt to strike a balance between the organizational culture and the changing culture.

- **Principle of Periodic Review**
  
  Review and renewal of HRD functions like training and development, career planning and development, performance and potential appraisal, counseling etc of employees should take place regularly in an organization at certain periodic intervals. *(Deb: 2010)*

  Thus, the principles that have been stated above must be kept in mind while framing a Human Resource Development system so as to have a proper and regular development of the human resource in an organization.

**Proficiencies required for the Successful HRD Manager**

To fulfill numerous responsibilities assigned to them and execute several different HRD programmes, a HRD manager should be competent enough to handle the responsibilities and to carry out the tasks assigned at his desk in a well-defined, co-ordinated and organized manner. The process of management comprises of four crucial steps embracing the people i.e. “Getting them, Preparing them, Activating them, and Keeping them”. And all these activities depends upon the skills, proficiencies, capabilities, dedication and the involvement of people responsible for HRD and the top managers.

For carrying out the job in a superfluous manner, a HRD manager need to have certain traits, qualities, skills, potential, features, potential, vision etc., else wise their performance will be affected and they will face many difficulties in performing their duties. Although there are many qualities which a successful manager must possess, but there are few which have been mentioned here:

- The manager should have a positive attitude toward life and work.
- She/he should be a keen learner.
- A HRD manager should also be a good listener.
- He should have enough patience to wait till his actions bear fruits.
- She/he should be of helpful nature.
She/he should be responsible enough to initiate things on his own, must possess the leadership quality.

She/he should have good communication skills.

She/he should be objective in their approach.

She/he should have the ability to design and co-ordinate training programmes for managers, supervisors, and workers.

She/he must possess the cognizance ability of business to hold a tight grip over it.

A HRD manager must possess a thorough knowledge and understanding of individual and group behavior.

HRD manager must possess an in-depth and up to date knowledge and happenings in the field of human resource development.

A HRD manager should be articulate in his practice of dealing with people and issues.

A person who is being assigned the job of a HRD manager must broaden his mindset.

She/he should be impartial and justified.

A HRD manager must possess the sharp and updated knowledge of tools and techniques so that he/she could market the human resource development programmes to the top management in an eloquent manner.

She/he should be proactive, i.e., a HRD manager should take initiative in introducing and implementing new ideas.

A person managing Human resource should set his mind free from red tapism and bureaucracy.

She/he should have a broad farsighted vision, so that policies could be formulated keeping in mind the dynamism of time, and to manage the challenges of time.

A manager should have a sense of belongingness and loyalty towards the organization she/he working with.

He should have high extension motivation, i.e. a desire to help others. He should be prepared to sacrifice his own personal goals for the benefit of the group (Swarajyalakshmi:2005)
In the context of qualities and traits of a HRD manager Sofo: 1999 argued with the senior management that, “they must understand the internal and external factors that impel the need for organizational transformation…assist in setting the overall strategic direction in relation to HRD…establish appropriate and support structures that communicate, reinforce and institutionalize the new behaviors, values and attitudes, and ensure the success and sustainability of the change effort”.

Outcomes of HRD

Implementing proper HRD programme is of paramount standing in order to match the individual needs with that of the organization. It is a process of identifying, nurturing and enhancing the skills, attitudes and perceptions of people in any organization. Importance of HRD has been recognized and acknowledged by managers and organizations at a global level now. It is essential for every organization to formulate and implement HRD policies and practices for the development of their human resource and the organization both. There are certain outcomes that have been assumed and observed at organizational and national level. Here these outcomes have been discussed separately:

At the Organizational level

- Training increases competency level of employees by updating their knowledge and upgrading their skills,
- Comprehensive abilities of the employees increases which enhances their horizons of vision and performance,
- Employees become more committed towards the organization and a sense of belongingness is developed among them,
- team-spirit among the employees in an organization goes up,
- with the proper implementation of HRD in an organization trust and openness is created among the employees and they begun to respect each other which helps in developing a cohesive working environment,
- Collaboration and team-work produces synergy effects,
- Employees feel capable enough of handling competition and becomes ready to accept change,
Important and useful data in respect of employees are generated which is helpful in human resource planning,

Participation among employees is promoted so that they could also contribute their share in decision making leading to sense of pride and achievement of task,

HRD involves human resource aspects like skills, knowledge, creative abilities and talents which helps in molding aspects like values, beliefs, aptitudes and attitude according to the changing needs and aspirations of individuals along with that of the organization,

Improves the problem understanding and solving capability of employees.

Sense of belongingness and dedication is developed in the employees towards the organization.

At the National Level

HRD manifest development of basic human aspects such as aptitude, attitude, values, beliefs on one hand and knowledge, skills, on the other hand. This process improves the utilization value of the society.

HRD facilitates fulfillment of the requirements of dynamism in today’s ever-changing environment like increase in the competition among the organizations and firms inside a country and also from other countries globally.

Vitality of the work force of any organization which implements HRD is increased to a desirable extent.

HRD makes the human resource dynamic and growth oriented of any nation.

HRD makes the work force vital, purposeful and diligent in performing their duties well and in an organized manner.

HRD promotes a culture, where people utilize their knowledge, skills and ideas to take initiative for innovations to make things happen.

It accelerates economic development as HRD creates a congenial and cohesive working environment in organizations which ultimately exists in a country and contributes directly to national development.

It improves the quality of work life, and provides inner satisfaction to the work force which leads them to higher productivity and better results (Sheikh: 2009).
Critical Perception of HRD

Since HRD is all about developing the skills and knowledge of employees it is also backed by certain limitations and critical perceptions. Following are the different problems that have been traced through:

- It is too ambiguous, there is too much of uncertainty and doubts surrounding its benefits,
- Occasional training and guidance courses are all that are considered vital but programmers are often badly conceived and their quality, effectiveness and relevance are rarely established,
- In reality, training is done reactively out of fear, of the consequence of not doing it. Managers lack the tools and understanding for the implementation of planned approaches of learning,
- Long term effectiveness is difficult to evaluate, assessment is more likely to be linked to short term training results,
- Government and labour market aspirations to invest more in training and development of employees are met with skepticism.

Organizations large or small, with and without explicit HRD practices are still prone to such damage of practicing it. Basically, they are the consequences of awful rather mismanagement, which HRD alone could not handle in solving it in any extensive manner. However, HRD could help by addressing specific ability needs, valuing learning with different aspects may it be a proactive and aligning manner, explicitly with strategy, demonstrating value added enhancing communications and enabling managers (Matthews et al.: 2004).

HRD at Macro and Micro level

HRD, as defined earlier from the view point of many eminent thinkers and philosophers as the process of developing the competencies and knowledge of people. When we talk about the development perspective of human resource, the several questions that strike to our minds are like should the people be developed in the national context or in the small organizational context? Is it different at the macro level and micro
level? In the recent scenario, the concept of HRD is applicable to both Micro–level (organizational) as well as Macro-level (national) issues.

From the Macro perspective, HRD is concerned with the development and growth of people for the well-being at a national level. It takes health, skills, capabilities, attitudes and beliefs of the people, which are more significant for the development issues at a global level. While the national income is being computed or the economic growth is assessed, the prospective concept of HRD examines the potentialities, attitudes, skills and knowledge of the individuals and institutes a concrete base for economic planning. However, HRD’s contribution at the macro level has not gained much popularity as yet.

From the standpoint of micro aspects, the purpose of HRD is to develop the competencies of the work force in an organization. Hence, it has concerns for the development issues at grass-root level in the organizations. Recognition and acceptance of HRD at an organizational level is remarkable, as the managers have started recognizing the vitality of implementing HRD policies into practice. Generally, HRD at a micro level, talks about the manpower planning, selection, training, performance and potential appraisal, organizational development, employee’s welfare, etc. Involvement of HRD with these areas is mainly for the reason of infusing new and latest technology in people concerned, to make them capable of dealing with the dynamic challenges of the present scenario and also to tackle the future responsibilities in a cohesive and organized manner. (Rao: 2005)

**Role of Government in HRD**

During the post-World War II era no other area of economics has experienced as many hasty changes in leading paradigm as has Economic development. These changes have paved the way for practitioners and thinkers to incorporate the role of government in promoting economic development. In the first phase, lasting from 1940 to 1979, government was assigned a primary, and an entrepreneurial role. The intellectual roots of this view can be found in the writings of the pre-Marshallian classical economists and in their immediate post World War II followers, W.Arthur Lewis, Rosenstein Rodan, Nurkse, Singer, Prebisch, Hirschman and Leibenstein. They viewed economic development as a process of growth that requires the systematic
reallocation of factors of production from a low-productivity, traditional technology, decreasing returns, and mostly primary sector to a high-productivity, modern, increasing returns, mostly industrial sector. The "government as prime mover" in development was reinforced by the realization in the late fifties that insufficient entrepreneurship was leading to serious absorptive capacity constraints to the provision of foreign aid and the undertaking of government-sponsored investment projects. In the second phase, lasting from 1979 to about 1996, was a continuation of then Neoclassical "getting prices right" line of thought. Neo-classical trade theorists (Krueger, and Bhagwati), who came to dominate the field of economic development, suggested that international trade can provide a substitute for low domestic aggregate demand. Governments should also remove price distortions in domestic factor and commodity markets ("get prices right") to induce suitable movement of factors among sectors, encourage the adoption of appropriate technology, and increase capital accumulation. In this view, domestic and international liberalization programs would suffice to bring about sustained economic growth and structural change (Adelman: 1999).

Government can play a pivotal role in the development of human resource. In India, we have a full fledged separate ministry for the purpose of covering education, health, sport etc. But there are certain loopholes like bureaucracy, red-tapism etc. which are needed to be filled up in the light of substantial development for the nation. Policies should be framed in a manner that is capable of tackling the objectives of HRD. There should be task forces, rotating employees in various sections and sub sections to become familiar with the entire system. They should work efficiently and take a lead in HRD because government’s investment in the field will be of autonomous nature i.e. without any profit motive. It will also induce the private sector to make large investments in this area. Human Resource of any country is the national asset and they need developments from time to time to meet the edge of growing competition at a global level. Overall progress of a country depends largely on it developed work force. Hence they should be helped in developing their potential to shoulder responsibility of Nation’s development (Sheikh: 2009).
Future Perspectives of HRD

With the advent of globalization, industries and firms are bound to face the challenges of the new times. To survive in this era of cut-throat competition, organizations require bold, innovative and dynamic workforce otherwise, they are eased out of the main stream of management in the corporate world. It is the responsibility of the HRD strategists to have a farsighted vision in framing, formulating, and implementing such strategies which could exploit the opportunities available in present scenario to beat the competition. Looking one step ahead is the sign of a smart thinker; therefore a HRD manager must broaden his horizons of creativity and innovations to trace out the better prospects for growth of HRD. Certain perspectives have been analyzed and discussed here. These are as follows:

- Advancement in Technology.
- New and Diverse customers.
- Changes in the sources of raw materials and financial resources.
- Corporate Restructuring.
- Modification in the structure of Industries.
- Changes in the regulatory framework of Government regarding corporate governance.
- Downsizing of organizations/enterprises.
- Mergers and acquisitions.
- New and revised corporate strategies.
- Work simplification methods/processes.
- Exploration of newer markets and alteration of existing markets.
- Diversification of products and services (Swarajyalakshmi: 2005).

Human resource constitutes the most valuable asset in the context of development and growth perspectives in any organization. Relative performances of nations, regions of economy, Industrial Sectors as well as corporate enterprises are critically linked to the quality of human contributions. Hence, it is the utmost responsibility of the HRD managers to look after the desired areas of concern for the persistence of development of skills and knowledge of the work force by making arrangements to make sure that these needed developments took place in a well-organized and cohesive manner.
Conclusion

Therefore, in the present chapter the concepts and the origin of HRD have been discussed at length along with its critical perceptions and the sub-systems and philosophy of HRD. The Indian perspective involves the study of the present conditions and also the objectives related to the concept. The next chapter would deal with the delineation of the overview of the growth and development of the Indian telecommunication Industry in the past years till date.

References:


