CHAPTER II
CONCEPTUAL FRAMEWORK
Human Resource Development: An introduction

‘Human Resource Development’ (HRD) is the integrated use of training, organizational development, and career development efforts to improve individual, group, and organizational effectiveness. HRD is the framework for helping employees to develop their personal and organizational skills, knowledge, and abilities. It includes such opportunities as employee training, employee career development, performance management and development, coaching, succession planning, key employee identification, and organization development.

The focus of all aspects of HRD is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers. This can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, HRD can be informal as in employee coaching by a manager. Healthy organizations believe in HRD and cover all these bases.

HRD helps to:

- Develop the key competencies that enable individuals in organizations to perform current and future jobs, through planned learning activities
- With in groups organizations initiate and manage change
- Ensure a match between an individual and organizational needs.

Typical HRD practices include:

- Executive and supervisory/management development
- Professional skills training
- Technical/Job instruction and coaching
- Sales and marketing training
- Customer service training
- New employee orientation
- Health and safety training
- Organizational development consultation

**HRD Defined:**

Nadler (1984) defines HRD as “an organized learning experience-taking place through education, training and development in a specified time with the aim to improve job performance”. From such improved performance, businesses are bound to maximize their gains. Also defining HRD are McLean and McLean (2001) who extend the benefit and focus of this performance beyond an organization, to include communities and nations, through accelerated work-based knowledge, expertise and productivity of individuals. Adam Smith states, “The capacities of individuals depended on their access to education”. Kelly D, (2001) HRD is the medium that drives the process between training and learning. It is the structure that allows for individual development, potentially satisfying the organization’s goals. The development of the individual will benefit both the individual and the organization. The HRD framework views employees, as an asset to the enterprise whose value will be enhanced by development, “Its primary focus is on growth and employee development. It emphasizes developing individual potential and skills” (Elwood, Olton and Trott 1996)

A successful Human Resources Development program will prepare the individual to undertake a higher level of work, “organized learning over a given period of time, to provide the possibility of performance change” (Nadler: 1984). Human Resources Development is the framework that focuses on the organizations competencies at the first stage, training, and
then developing the employee, through education, to satisfy the organizations long-term needs and the individuals’ career goals and employee value to their present and future employers. Human Resources Development can be defined simply as developing the most important section of any business its human resource by, “attaining or upgrading the skills and attitudes of employees at all levels in order to maximize the effectiveness of the enterprise” (Kelly :2001). The people within an organization are its human resource. HRD from a business perspective is not entirely focused on the individual’s growth and development, “development occurs to enhance the organization's value, not solely for individual improvement. Individual education and development is a tool and a means to an end, not the end goal itself”. (Elwood F. Holton II, James W. Trott Jr: 1996). HRD is a complex process in which knowledge accumulates through training and education as well as work and life experiences. According to Pierce (2001), it is the systematic maintenance, improvement and broadening of competencies, knowledge, experiences and skills and the development of personal qualities helpful in the execution of the organizational role and task. It has also been defined as an attempt to improve personal effectiveness through a planned and deliberate learning process (Mumford 1987) and a conscious and systematic process to control the development of human resources in the organization for the achievement of goals and strategies (Molander 1986). Development involves changing skills, knowledge, attitudes, or behavior. At the same time it should support the organization to achieve its strategic objectives and build a culture suitable for this direction (Tichy and Devanna 1986; Vicere 1997). Human resource development is an integral aspect of competencies building, development and regeneration, even though it does not cover all aspects of competence management. The traditional performance areas of HRD have been understood to involve:
- Improving task performance
- Enabling and supporting change implementation
- Improving the quality of operations
- Promoting creativity and innovation
- Enhancing the employment prospects of individuals.

Strategic aspects of HRD:

HRD has often been viewed as a cost rather than an investment. This is, however, certainly changing in organizations today, but not as fast as could be expected. One of the main reasons is that it is difficult to show a causal link between HRD and organizational success. It is difficult to show a payoff from HRD in the short term, and HRD performance indicators are difficult to define precisely. For HRD to contribute to business success more effectively, it is increasingly argued that it should be linked up front with business strategy.

Luoma (1999) defined three main ways that HRD can relate to business strategies. The first approach involves organizations that do consider HRD at a strategic level, but nevertheless view its role essentially in a reactive way. According to Luoma this approach is the needs driven HRD approach, where the aim of the HRD strategy is to identify and remedy skill deficiencies in relation to the organizational strategy. The task of HRD is to provide background support and service for the strategy. This is the most traditional role of HRD. A second approach to HRD strategy is opportunity-driven HRD. The impetus in this approach is external rather than internal. It applies development ideas in a more general way, rather than specifically targeting current business objectives. In this approach, the learning potential of all employees is emphasized. Although the thrust of the HRD strategy may be to reactively meet the needs of business strategy, it...
may also be proactive in influencing the formation of future business strategy. HRD professionals in such organizations are open to new developmental opportunities and intervene accordingly in their search for excellence. The third approach, capability-driven HRD, is based on the idea that organizational competence is the key to sustained competitive advantage. This approach is proactive in that it focuses on the desired state of the organization as defined in its future vision. HRD works on behalf of creating, strengthening, and sustaining the competencies emphasized in the business strategy. Organizations focusing on this approach seek competitive advantage primarily from capabilities and competencies, and HRD takes place in advance. There is also a fourth approach, which is a mixture of the three approaches above.

During the last two decades HRD has seen many changes: training has shifted away from external schools towards in-house programmes; content focus has shifted from functional knowledge to topics such as strategy, change management and leadership; the programmes have changed from teacher-centred to learner-centred; and there has been a trend toward shorter, large-scale, cascaded programmes involving staff at multiple levels of the organization and not just on the top (Vicere: 2000). There has also been a shift in perceptions away from programmes and toward work experience-based methodologies involving job rotation, taskforce and project assignments, action learning, coaching, and mentoring (Vicere: 1998). During the late 1990's, there was also a trend towards using technology and distance delivery in management development, but it is still waiting for a breakthrough (Vicere: 1998: 2000). Personnel development has traditionally been the responsibility of the human resource function, and in larger corporations service and development responsibility is usually allocated to a HRD unit. In recent years, however, responsibility for
competence availability and development has increasingly become the responsibility of the entire organization. Each unit manager must ensure that sufficient competencies are available all the time.

Contents of HRD:

HRD is a component of a broader competence development system, which includes the definition of competence strategies, the identification and assessment of required competencies, the determination of development needs, and development discussions. A company needs to engage in systematic human resource development irrespective of how far learning culture has progressed in the organization.

Development actions targeting employee competencies must be planned, implemented and assessed. The effectiveness of development activities depends in part on organizational conditions such as support from top management (Facteau, Dobbins, Russell, Ladd & Kudisch :1995; Ford, Tracey, Tannenbaum & Kavanagh :1995), and the learning climate in the organization (Ford & Weissbein 1997). On order to be efficient, development should be a systematic process instead of occasional. As a whole, HRD has so far focused very strongly on developing individuals. Nevertheless, activities in organizations are more a team function than the function of heroic individuals (Leibman, Bruer and Maki 1996), and therefore the development approach should include both teams of skills and teams of learners (Hernez-Broome et al. 2004).

How HRD Evolved:

In 1970, Leonard Nadler published his new-classic book “Developing Human Resources”, in which he coined the term "Human Resource Development" (HRD). The term HRD provided a conceptual umbrella under which the field began to unify, using the three-fold notion of training,
education, and development. HRD provided purpose and direction for the continued growth of the field: organized learning to provide the possibility of performance change. It further identified a core discipline from which a field of study could develop: adult learning in the workplace. McLagan's HRD studies in 1983 and 1989 reflected a shift taking place in HRD work. In 1983, the assumptions in the competency models focused on change in technology. In 1987, Patricia McLagan proposed the following narrative definition of HRD:

"HRD is the integrated use of training and development, career development, and organization development to improve individual effectiveness."

In 1989, there were signs of an emerging concern for economic impact. The field began to move from focusing to what is performed to what is produced. One of the forces in 1989 was an increased use of systems approaches in HRD. Another shift in the field that took place was that the focus on individual learning was shifting to organizational learning as the primary activity and goal of the field. Patricia McLagan's role and competency study Models for HRD Practice described in 1989 a broadened scope of various roles in the competency models. The definition of HRD expanded beyond training and organization development. The move was shifted toward HRD responsiveness and relevance.

Arriving at the final countdown to the 21st century, HRD remains an important force for the future. In her article on HRD competencies and future trends in HRD, Pat McLagan (1996) identified nine important roles for HRD practitioners to perform. As HRD practitioners create rather than just respond, they will seek leverage and ways to help managers, teams, and individuals take charge of their own human resource practices. According to
McLagan "HRD may be the only function in a clear position to represent human ethics and morality". It is in the following roles that the present HRD professionals are challenged to create new ways to address the human resource issues:

1. **HR strategic advisor**
   In this role, the issues and trends concerning an organization's external and internal people are brought to the attention of the strategic decision makers.

2. **HR systems designer and developer**
   This role involves designing and preparing HR systems for implementation so that HR systems and actions are mutually reinforcing and have maximum impact on organizational performance, development and endurance.

3. **Organization change consultant**
   This role means facilitating the development and implementation of strategies for transforming organizations.

4. **Organization design consultant**
   This role involves identifying the work required to fulfill organizational strategies. It also involves organizing the work so that it makes efficient and effective use of resources.

5. **Learning program specialist**
   In this role learning needs are identified to design and develop structured learning programs and materials in a variety of media formats for self-study and workshop or electronic delivery.
6. Instructor/facilitator
This is an increasingly difficult role to be played by HR. In this role the information is presented, structural learning experiences are lead, group discussions and group processes facilitated.

7. Individual development and career consultant.
This role involves helping people assess their competencies, values and goals so they can identify, plan, and implement development actions.

8. Performance consultant
This role means assisting a group or individuals to add value in the workplace. It is a coaching and consulting role in which HRD people perform both analytical and systems-design work.

9. Researcher:
This role involves assessing HRD practices and programs and their impact empirically. It also means communicating results so that the organization and its people accelerate their change and development.

Benefits of HRD:
Desimore et al. (2002) assert that management uses performance as a measure of employee commitment and responsibility to accomplish their tasks effectively. Therefore, it is very essential that individual learning translate into performance. Becker (1993) and Swanson (2001) view this as Human Capital - ‘an investment in education, training and health, with valuable returns that a company gains from. In terms of the Human Capital Theory approach, and according to Capital Works (1999), learning forms part of a business intellectual capital, increases business productivity, and adds value to the economic performance of the organization and the economy.
It may, therefore, be argued that as business performance serves to advance the interests of shareholders, HRD is not likely to escape the debate that corporations should also take into account the learning chain transfer of stakeholders at primary, secondary, post-secondary, graduate, post-graduate institutions, continuing education, and other learning solutions both inside and outside corporations', as (May & Kahnweiler, 2002; Bing, Kehrhahn and Short, 2004) contend. Not all that is HRD glitters, unfortunately. It is at this accelerated benefit to businesses and organization-based learning formalities where HRD encounters its criticism or rather weaknesses.

**HRD Criticized:**

For corporations based on resource-extraction and processing, it may be very hard to imagine HRD escaping the debate and blame that corporations are the ones responsible for the rapid disappearance of biodiversity, global warming, and other human rights violations committed in the attempt to maximize shareholder’s values, as HRD sits at the heart of technological and knowledge advances that lead to accelerated exploitation of the natural environment.

With regard to learning, Nonaka and Takeuchi, (1995) cited in McCarthy, Garavan and O’Toole (2003) are of the view that learning is a natural phenomena that occurs all the time and does not necessarily require the formally structured approach of HRD to take place. Recently, Ashton et. al. (2003) and others strongly argued a case for management to encourage more informal learning, as employees in improving their performance prefer it. In an interview with Callahan and Ward (2001), Chalofsky cautions HRD professionals ‘from becoming so focused on performance and effectiveness that we forget the essence of humanity that enables our organizations to
survive and even thrive; arguing further that 'the human emphasis in human resource development uniquely positions this profession to address those issues of humanity in organizations.'

From an ethical point of view, HRD appears poised for self-destruction. With rapid changes in technological advances and occupations, Nadler (1984) predicts an ever-shortening gap between skills acquisition and skills obsolesce. Unless people learn faster than the pace of change, the majority could be faced with redundancy. Pressed for cutting down costs of production, organizations in a competitive world of today will require multi-skilled employees who can move laterally and not just vertically; employees with protean careers, not the old psychological contract of employment for life (McGoldrick, Martin and Pale: 2002). With all these, Turnley and Feldman (1997) (Garavan et. al: 2000) suggest that the down side is that those employees with lower performance and knowledge rating would most probably be perceived as a liability to the organization and hence less important. Worse, their contracts may even be dissolved.

While the advocacy for HRD to be externalized beyond corporations to embrace societies, as suggested by May and Kahnweiler (2002) and Bing, Kehrhahn and Short (2004), the practice is likely to go head-to-head with economic principles of diminishing returns. As and when more private businesses contribute to ameliorate skills shortage and when more of the national budget is allocated to education, eventually supply (for human resources) is likely to catch up with the demand for skills as Torraco (2001) argues. When this happens, the winners are employers who would celebrate cheap labour and lowered cost of production as Amavilah, (1998) suggests. Unless the economy grows proportionately, such a phenomena is likely to increase unemployment and underemployment. Therefore when government
calls on the support of private sector to augment on developing human resources, perhaps it has to be careful not to shoot itself in the foot with regard to menaces brought by unemployment and underemployment as a result of miss supply of skills that leads to even greater skills obsolesce. Maybe it also fits to extend the same caution to socially responsible corporations entangled in human resource development initiatives.

SIGNIFICANCE OF HRD:

Fundamental changes in the business environment have created a sudden shift in focus of HR function, say Frost, et al.(1992). These changes include:

- Rapid rate of business change: high uncertainty;
- Raising costs, increasing competitive pressures and margins;
- Rapid technological change: increasing demand for new skills through resourcing, education and retraining;
- Complex organization: product, geography, technologies, business function, customers/markets;
- Flatter, leaner and more flexible organizations;
- Changing demographics, limited labor availability;
- Responding to external forces: legislation and regulation, litigation, union relations union avoidance, etc;
- Increasing multinational competition and collaboration, multilateral relationship;

Companies are beginning to recognize the importance of people to the success of business. Human resource issues are, in fact, business related issues as they influence the essence of business- profitability, survival, competitiveness, adaptability and flexibility.
HRD SUB - SYSTEMS:

1) Performance Appraisal
2) Potential Appraisal
3) Training
4) Management Development
5) Career Planning
6) Employee Welfare
7) Quality of work life
8) Organizational development
9) Feedback and Communication
10) Rewards
11) Human Resources Information

Performance Appraisal:

Performance appraisal, also known as employee appraisal, is a method by which the performance of an employee is evaluated (generally in terms of quality, quantity, cost and time). In performance appraisal the focus is on individual’s personal development. Still many organizations follow the old method of writing confidential reports. In performance appraisal, the assessment is communicated to the subordinate and an opportunity is given to the appraisee to communicate his feelings. Performance appraisal interviews are thus utilized to know the subordinate’s strengths and weaknesses, concerns are shared and the subordinate is given an opportunity to defend or improve his shortcomings in performance. The subordinate is encouraged to accept more responsibilities and acquire more new capabilities. Performance appraisal is an objective method of judging the relative worth or ability of an individual employee in performing his tasks. It will enable the management to know the quality of the company’s personnel, compel the supervisor to think about his subordinate and about
himself, to inform the employee of what the management thinks about the job he is doing.

The most popular methods that are being used as performance appraisal process are:

- Management by objectives (MBO)
- 360 Degree feedback
- Behavioral Observation Scales (BOS)
- Behaviorally Anchored Rating Scales (BARS)

**Potential Appraisal:**

The potential appraisal refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future-oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organizations consider and use potential appraisal as a part of the performance appraisal processes.

The most common potential appraisal techniques are:

- Self – appraisals.
- Peer appraisals.
- Superior appraisals.
- MBO.
- Psychological and psychometric tests.
- Management games like role playing.
- Leadership exercises etc.
Training:

Training is a means of developing the individual's personal effectiveness. The term training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training is necessary before promotion and also on the job coaching programmes. Training is thus, linked with performance appraisal and career development. Employees are to be trained continuously either on-the-job or through special -in-house training programmes, or outside training periodically to enhance, update, or develop specific skills. One can generally categorize such training as on-the-job or off-the-job: On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. Off-the-job training takes place away from normal work situations — implying that the employee does not count as a directly productive worker while such training takes place.

Management Development:

Management Development is best described as the process from which managers learn and improve their skills not only to benefit themselves but also their employing organizations. Most of the industries organize management development programs in order to ensure managers in required numbers and with required skills to meet the present and future needs. Management development builds up adequate cadres of management specialists at middle level and top level for a fast growing public enterprise, who will become the basis for the development of full fledged second generation of efficient managers to man business enterprises.
Management development includes:

• Structured informal learning: work-based methods aimed at structuring the informal learning which will always take place

• Formal training courses of various kinds: from very specific courses on technical aspects of jobs to courses on wider management skills

• Education: which might range from courses for (perhaps prospective) junior managers or team leaders

Career Planning:

A career is the sequence of jobs that an individual has held throughout his or her working life. “Career Planning” therefore embraces a person’s entire life—the spiritual, social, educational and vocational. Career Planning is the life-long process a person goes through to learn about himself (his purpose, personality, interests, skills and talents) develop a self-concept, learn about careers, and work situations and then make a career choice based on information gathered while developing coping and social skills. It also includes the skills a person employs in finding and keeping the job that is right for him or her. The basic purpose of career planning is to unite organizational human resource planning with individual needs, capabilities and aspirations. This would prepare them for a possible change and commitment for higher responsibilities.

Employee Welfare:

It is an established fact that welfare measures protect the worker, conserve his energy and keep the workers behavior in the desirable manner. As such most of the organizations recognize the significance of these measures and provide the welfare benefits. Organizations provide welfare facilities to their employees to keep their motivation levels high. The
employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes.

The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in industrial acts like Factories Act 1948, Dock Workers Act (safety, health and welfare) 1986, and Mines Act 1962. E.g. Drinking Water, Facilities for sitting, First aid appliances, Latrines and Urinals, Canteen facilities, Spittoons, Lighting, Washing places, Changing rooms, Rest rooms, etc

The non-statutory schemes differ from organization to organization and from industry to industry. E.g. Personal Health Care (Regular medical check-ups), Flexi-time, Employee Assistance Programs, Harassment Policy, Maternity & Adoption Leave, Medi-claim Insurance Scheme, Employee Referral Scheme, etc.

Quality of work life:

It is defined as any activity which takes place at every level of an organization which seeks greater organizational effectiveness through the enhancement of human dignity and growth, a process through which the stakeholders in the organization, management, unions and employees learn how to work together better to determine themselves what actions, changes and improvements are desirable and workable in order to achieve the twin and simultaneous goals of an improved quality of life at work for all members of the organization and greater effectiveness for both company and unions. The quality of work life involves three major parts: occupational health care, suitable working time and appropriate salary.
The work should not pose a health hazard for the person. The employer and employee, aware of their risks and rights, could achieve a lot in their mutually beneficial dialogue.

The working time has been established by the state according to legislation which is a 40-hour working week. The standard limits on overtime, time of vacation, differences regarding the working time for the persons less than 18 years of age, pregnant women, breast-feeding mothers and the person raising the disabled child have been established.

The appropriate salary is agreed upon by the employee and the employer. The Government of the Republic establishes each year the rate of minimum salary; the employer should not pay less than that to the employee. Work ethics and work culture determine the quality of work life. Poor the above two, worst becomes the quality of work life.

**Organizational development (OD):**

Organization development is the process through which organizations develops the internal capacity to most efficiently and effectively provide its mission work and to sustain itself over the long term. It is defined as a planned effort, organization-wide, managed from the top; to increase organization effectiveness and health, through planned interventions in the organization's 'processes', using behavioral science knowledge. It is a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adopt the new technologies, markets and challenges and the dizzying rate of change itself. Thus it is a planned attempt to move the organization to the climate of behavioral, open, organic model. The organizational development interventions include sensitivity training, the managerial grid, management by objectives, team building etc. The organizational development
interventions help to a larger extent the individual, the group and the organization. OD is a long-range effort to improve organization's problem solving and renewal processes, particularly through more effective and collaborative management of organization culture-with specific emphasis on the culture of formal work teams-with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioral science including action research.

Feedback and Communication:

Employees with the knowledge of their strengths and weaknesses, try to move more effectively in situations in which their strengths are required and avoid situations in which one's weaknesses could create problems. By feedback the employee is aware of his strengths and weaknesses and also gets necessary guidance in improving the performance. This also increases the satisfaction of the individual. Often, people do not recognize their strengths. Supervisors in an HRD system have the responsibility for ongoing observation and feedback to subordinates about their strengths and their weaknesses, as well as for guidance in improving performance capabilities.

Rewards:

Rewarding employee performance and behavior is an important part of HRD. Appropriate rewards not only recognize and motivate employees, but also communicate the organizations values to the employees. In HRD systems innovations and use of capabilities are rewarded in order to encourage the acquisition and application of positive attitudes and skills. Typical rewards include certificates of appreciation, newsletter announcements, increase in salary bonuses special privileges and desired training. Promotions are generally not considered as rewards because promotion decisions are based on appraisals of potential where as most
rewards are based on performance. Rewards may be given to individuals as well as to teams, departments, and other units within the organization.

**Human Resources Information:**

The information about employees should be stored centrally so that all basic information about each employee, training programmes attended, performance records, potential appraisal, accomplishments etc. are recorded. Such data could be utilized as and when there is need to identify the employees for consideration for special projects, additional training or higher jobs.

**The Contribution of Sub-systems to HRD Goals:**

Each of the subsystems or mechanisms contributes to the achievement of overall HRD goals. Performance appraisal focused primarily on helping the individual to develop his or her present role. Potential appraisal focuses primarily on identifying the employee’s likely future roles within the organization. Training is a means for developing the individual’s personal effectiveness. Feedback and performance coaching helps the development of individual as well as relationships. Organizational development is the mechanism for developing the collaborations and self-renewing skills. Efforts to promote employee welfare and ensure quality of work life, along with rewards, promote a general climate of development and motivation among employees.

The HRD sub-systems or mechanisms should not be thought of in isolation. They are designed to work together in an integrated system although any of them may exist in an organization that does not have an overall HRD plan. In isolation, these mechanisms do not afford the
synergistic benefits of integrated subsystems. Successful organizations pay adequate attention to their human resource development functions. If the full benefits of HRD to be experienced, it must be introduced as a total system within the organization. In addition, the commitment of top managements to the HRD sub-systems and its willingness to invest time and other resources is crucial; top management must make it obvious that the human resources of the organization are its most important resources. Every member of the organization should recognize the values of openness, mutuality, collaboration and enthusiasm within the system. If implemented properly, integrated HRD system can contribute significantly to positive cultural changes, increased productivity, and excellence in organizations.