The late President of United States of America, Kennedy once remarked, *The progress of a nation can be no swifter than our progress in education. The human mind is the fundamental resource.* He expressed this philosophy to highlight the greater emphasis on developing human beings as resources.

### 3.1 History of Human Resource Development

The term human resources was coined exactly as a special concept only in the twentieth century even though we developed the employee selection concept long before. Even in the prehistoric period, we carefully evaluated individual qualifications before choosing him to a leadership position. Earlier, the human beings were placed high importance on passing down necessary knowledge to fellow subordinates. Human resource
development depends on education that involves transmitting essential knowledge to employees so that they can perform their role well. When the human civilization continued to develop, the desire to improve employee performance and knowledge also increased. The historians have found instances of employee screening tests dated back even to 1115 B.C. in China. The ancient Greeks and Babylonians followed the apprenticeship system, which trained entry level employees in a particular trade. The system of apprenticeship continued well into the Middle Ages also.

In the late 18th century, the world economy, especially the economies of Europe and America shifted from agriculture to manufacturing. So they need to develop mechanisms to speed up production. But such a sudden shift led to work injuries, monotonous work environment and low wages rather than increased and efficient production. Few employees felt that the industrial efficiency is highly correlated to workers satisfaction and motivation and they implemented the concept of training and increased salary.

The World War I brought about huge changes in the labour scenario. After the World War I, the government and the employers realized that the employees should be treated well to enhance industrial productivity. In 1928, Elton Mayo, a social scientist through his research studies highlighted that the employees can work efficiently only under better working conditions driven by team spirit. He promoted healthy human relations between subordinates and superiors which he called The Human Relations Movement.

By the middle of 20th century, the experts realized that an employee need to satisfy his individual needs in addition to better working conditions for organisational excellence. Thus the employers began treating employees as resources that need continuous motivation and support to lead the organization to success.
During the end of the 20th century, management began to focus on bringing organizational and individual goals in synchronization. The management assigned the Human Resource Department the responsibility of optimizing employee skills to create skilled enough group of workforce. This trend has prevailed into the 21st century, focusing the need for skill development and training for employees.

3.2 Human Resource Development – Meaning & Definition

Human Resource Development is an organized learning experience aimed at matching the organizational need for human resources with the individual need for career growth and development. It is a system and process involving organized series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire desired level of competencies for present or future role.

According to T.V. Rao, the best known Indian HRD expert, “Human Resource Development is a process in which the employees of an organization are continually helped in a planned way to:

i) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles

ii) develop their general capabilities so that they may be able to discover their own inner potentialities and exploit them to full for their own and organizational development purpose and

iii) develop an organizational culture where superior subordinate relationships, teamwork and collaboration among different sub-units are strong and contribute to organizational wealth or
professional well-being and motivation and pride of the employees.

Thus, HRD is a planned and systematic approach to the development of people that it requires a total system of interacting elements designed to improve the total personality of an employee. It is a continuous process of developing the competencies, motivation, dynamism and effectiveness of employment.

The human resource is the most significant and the only active factor among the various factors of production. All the other factors remain inactive unless there are competent people to capitalize them for producing goods and services serving the needs of the society. Human brain which is the creation of nature has unlimited energy and caliber to think and act. The goal of attaining efficiency purely depends on the skill of the people managing the organisation.

Developing human resource, upgrading their skills and extending their knowledge and competencies would lead to organizational development which is the ultimate objective of any organisation. Therefore, human resource development is the key to entangling the effective utilization of intellectual, technological and entrepreneurial skills of human resource.

The concept of human resource development is comparatively of recent origin and is now used at both macro and micro levels. At the macro level, human resource development is the core of all developmental efforts that it ensures improvement in the quality of managers and workers so as to achieve greater efficiency. However, a micro level analysis of the mechanisms and processes is inevitable for a depth study of the concepts of human resource development.
The process of HRD is facilitated by mechanisms like performance appraisal, training, organizational development (OD), feedback and counselling, career development, potential development, job rotation and rewards.

HRD covers the process by which employees are continuously helped to acquire new competencies through a process of performance planning, feedback, training, periodic review of performance, assessment of the development needs, and creation of development opportunities through training, job rotation, responsibility definition and such other mechanisms.

3.3 Significance of Human Resource Development

The term human resource development refers to the acquired knowledge, skills, creative abilities, talents, aptitudes, values and beliefs of human resource in the organisation. The most important aspects of human resource are aptitude, values, attitudes and beliefs inhibited by them. But in a given situation, if these vital aspects remain the same, the other aspects of human resource like knowledge, skill, creative abilities and talents play a significant role. The effective utilization of human resource thus depends upon improvement of the human resource aspects like skill, knowledge, creative abilities and talents and molding of other aspects like, values, beliefs, aptitude and attitude in accordance with the requirements of the groups, organisation and society at large. The efficiency of an organisation depends not just on the availability of the resources, but its quality and quantity as required by the organisation from time to time. The growth and potential of two nations largely depends upon the quality of their human resources. Similarly, the difference in the level of performance of two organizations also depends upon the effective utilization of its human resource. Moreover, the effectiveness of decisions and
management of affairs depend to a greater extent on the level of human resources development.

Human Resource Development assumes significance in view of the fast changing organisational environment and practices to adopt new techniques to respond to the environmental challenges. These challenges result in severe competition not only among the industries in the world but also industries within the nation. Only those industries withstand during such crisis can only continue in the market and the other industries are forced to withdraw from the market. Such survival can only possible through an effective mechanism for human resource development.

3.4 Features of Human Resource Development

The essential features of human resource development are:

1. Human resource development is a process in which employees of the organizations are recognized as its human resource. It believes that human resources are the most valuable asset of the organisation.
2. It emphasizes on development of human resources of the organisation. It helps the employees of the organisation to develop their general capabilities in relation to their present jobs and expected future role.
3. It emphasizes on the development and best utilization of the capabilities of individuals in the interest of the employees and organisation.
4. It helps in establishing and developing inter-personal relations. It concentrates on developing relationship based on mutual trust and confidence.
5. It promotes team spirit among employees.
6. It tries to develop competencies at the organization level. It stresses on providing healthy climate for development in the organization.

7. HRD is a system. It has several sub-systems. All these sub systems are inter-related and interwoven. It stresses on collaboration among all the sub-systems.

8. It aims to develop an organization culture in which there is good superior–subordinate rapport and sense of belongingness.

9. It tries to develop competence at the individual, group and organizational level to meet organizational goal.

10. It is an inter-disciplinary concept. It is based on the concepts, ideas and principles of various disciplines and branches of knowledge.

11. It footed on employee welfare and quality of work life. It tries to examine and identify employee needs and meeting them to the best possible extent.

12. It is a continuous and systematic learning process. Development is a lifelong process which never ends.

Harald Richter, Senior Executive Head, Bayer AG, has highlighted the characteristics of HRD as:

1. The people have capabilities to learn. Such capabilities can be developed by providing them learning opportunities.

2. Investment, in human resource development can be considered as long term investment. By investing in development of human resources long term return can be increased.

3. Human resources can be developed through proper education and training system. HRD is not only the responsibility of the country; the industry will have a vital role to play by stressing on HRD activities.

4. It is a long term approach. There is no short cut to HRD.
5. It requires common understanding between people, industry, trade unions and government.

6. It is required at all levels. It stresses that there is constant need for retraining and development of people to adapt to new technologies.

7. It provides possibilities for training. It stresses that on the job training is better than simulation or classroom training.

8. It depends upon needs of the industry. HRD assists in meeting the objectives of individuals as well as the organization. So, pace of growth of HRD depends upon the needs of the industry.

3.5 Objectives of Human Resource Development

The specific objectives of HRD are as follows:

1. To develop the capabilities and competencies of human resources in relation to the present job.

2. To develop the potential and competencies of human resources in relation to their future expected role.

3. To build up competencies at individual, interpersonal and organisational levels to integrate the individual and organisation goals.

4. To help the development of people and their optimum utilization in the interest of society and nation.

5. To help the employees in career planning.

6. To develop team spirit and interpersonal relation among employees in the organization.

7. To provide the employees a climate for job enrichment, innovation, creativity, self development, effective communication etc.

8. To motivate the employees for their contribution by suitable rewards.

9. To ensure the availability of competent and committed people to occupy key positions in future.
10. To ensure better organization development so that organization can respond to changes effectively.
11. To develop a suitable human resource information system.
12. To increase organizational effectiveness i.e. higher productivity, lower costs, more profits, and better organization image.
13. To develop a conducive organizational culture

3.6 Concept of Human Resource Development

Human resource development is an organized learning experience aimed at matching the organisational need for human resource with the individual need for career growth and development. It is a system and process involving organized series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire desired level of competence for present and future role.

The concept of human resource development was formally introduced by Leonard Nadler in a conference organized by the American Society for Training and Development in 1969. Leonard Nadler defined human resource development as those learning experiences which are organized for a specified time and designed to bring about the possibility of behavioral change among people in the organisation.

3.7 Approaches to HRD

The various approaches to HRD are:

3.7.7 Strategic HR Framework Approach

This framework was developed by Ulrich and Blake. HRD procedure and practices, business strategies and organizational capability are the
important element of the framework. It basically aims at leveraging HRD practices that would help the organizational capabilities.

3.7.8 Integrative Approach

This approach was developed by Yeung and Berman that focus on changing the priorities of the organization to maximize organizational capabilities towards the achievement of the organizational performance.

![Figure 3.1](image)

Pillars of integrative approach

- Build Organizational Capabilities
- Improve employee satisfaction
- Shape Customer & Owner Satisfaction

3.7.9 Human Capital Appraisal Approach

Friedman and Arthur Anderson gave this approach to the world. He believes that there are five stages in the management of human capital in the organization. They are clarification stage, assessment stage, design stage, implementation stage and monitoring stage. On the other hand there are five areas in the management of human capital in the organization. They are recruitment, retention and retirement, reward and performance management, career development, succession planning and training, development of organizational structure and human capital.
3.7.10 HRD Score Card Approach

Dr. T.V Rao outlined this approach. According to him, any HRD practice should be mature in terms of systems, culture, competencies and business linkage in order to create the right business impact. It is an approach, which believes that a well developed human resource system would lead to proper impact of business.

3.7.11 PCMM Approach

This approach is developed in business for software companies by Curtis and team. The People Capability Maturity Model (PCMM) assumes that the organizations attain maturity in five stages. They are initial, repeatable, refined, managed and optimizing.

3.7.12 Integrated System Approach

This approach advocated a separate HRD department for effective designing and implementation of HRD system. It is believed that HRD function would evolve over a period of continuous practice of all HRD practices.

3.8 Human Resource Development Framework

An effective human resource development structure essentially has a strong base of human resource planning, recruitment and selection based on an efficient human resource development policy. It enables the organisation not only to have efficient team of human resources for the present and future jobs but also to plan future based on identified potentialities. Recruitment by Human Resource Department refers to searching for prospective employees having the required skill and stimulating them to apply for jobs in the organisation. Selection refers to designing the selection techniques like written
test, group interview, personal interview and role clarification to fit the candidate suitable for future development of the organisation. These base factors influence the analysis of roles of employees as individual and member of the team and organisation, along with the ever changing environment.

**3.9 Process of Human Resource Development**

HRD is a process-oriented pervasive function. HRD functions may fail in many organizations because the processes involving the systems are not adequately addressed. The concept of process essentially emphasizes the behavioural and interactional dimensions. All the HRD processes are centered on four constituents of an organization - the employee, role, team and the organization itself. Each of the unit has its own behavioural pattern and framework, which if not managed efficiently may not bring in the desired outcomes. It is through these processes that the HRD systems are effectively implemented. Implementations of the HRD systems are, in turn intended to bring in right processes in organizations. Hence HRD systems and processes are closely linked.

**3.9.1 Individual:** Individual is the basic constituent of an organization. All the behavioural pattern and dynamisms emerge from individuals. Hence individual based HRD process is vital for implementation of the HRD systems. The individual oriented HRD process covers:

- Efficiency
- Effectiveness
- Styles
- Leadership

**3.9.2 Role:** Role is a dynamic entity which involves the expectations of significant others and self from the position of the role holder. A large number
of behavioural patterns and dynamism in organizations are centered around the roles. The role occupier and all others who have some linkage or relationship to that role form a constituent. The role centered HRD processes in organizations includes:

- Competencies for job performance
- Commitment
- Motivation
- Frustration
- Stress & Burnout

3.9.3 Team: Work in organizations is performed in teams or groups. When individuals start to work in his personal capacity, no teamwork results. Isolated efforts are not the order of the organisations. When individuals begin to work in team, behavioural patterns and dynamisms emerge. This will force him to follow certain HRD processes to bring in the desired results. They are:

- Communication
- Feedback
- Association
- Conflict resolution
- Collaboration
- Mutual trust

3.9.4 Organisation: A large number of HRD processes are organisation related. Unless and until these processes are in place, HRD cannot take off. However, in a number of organisations as a result of implementation of HRD systems, these processes were set right. HRD systems can contribute towards the development and maturity of these processes.
3.10 Key Components of Human Resource Development

There are three fundamental component areas of human resource development. They are individual development (personal), career development (professional), and organisational development. The importance of each component will vary from organisation to organisation according to the complexity of the operation, the criticality of human resources to organisational efficiency, and the organisation's commitment to improved human resources. But all three have one focus—individual performance improvement. Since individual performance improvement is the heart of an HRD program, HRD can be described as the area of congruence among the three components.

3.10.1 Individual development

Individual development refers to the development of new knowledge, skills and improved behaviors that result in performance enhancement and improvement related to one's current job through training. Learning may involve formal programs, but is most often accomplished through informal, on-the-job training activities.
3.10.2 Career development

Career development focuses on providing the analysis necessary to identify the individual interests, values, competencies, activities, and assignments needed to develop skills for future jobs through development. Career development includes both individual and organisational activities. Individual activities include career planning, career awareness, and utilizing career resource centers. Organizational activities include job posting systems, mentoring systems, career resource center development and maintenance, using managers as career counselors, providing career development workshops and seminars, human resource planning, performance appraisal, and career pathing programs.

3.10.3 Organisational development

Organisational development is directed at developing new and creative organisation solutions to performance problems by enhancing congruence among the organisation's structure, culture, processes, and strategies within the human resources domain. In other words, the organisation should become a more functional unit as a result of a closer working relationship among these elements. The ultimate goal of organisational development is to develop the organisation's self-renewing capacity. This refers to the organisation's ability to look introspectively and discover its problems and weaknesses and to direct the resources necessary for improvement. As a result, the organisation will be able to regenerate itself over and over again as it confronts new and ever-challenging circumstances. This occurs through collaboration of organisational members with a change agent, usually an HRD practitioner, using behavioral science theory, research, and technology.
Figure 3.2

Fundamental components of HRD

1. Individual Development – ID
2. Career Development – CD
3. Organizational Development - OD

The importance of each component may vary from organization to organization

According to

- Complexity of operations
- Criticality of Human Resources to organizational efficiency
- Organizational commitment to improved human resources

Single focus on

Individual Performance Improvement

Heart of HRD
1. **Individual Development** ➔ Development of new knowledge, skills & improvement behaviours that result in performance enhancement and improvement related to one’s current job (training/ executive development).

2. **Career Development** ➔ Focuses on providing the analysis necessary to identify the individual interests, values, competencies, activities & assignments needed to develop skills for future jobs. It means his potential for future job.

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**Career Development**

- **Individual Activities**
  - Career Planning
  - Career awareness Utilizing career resource centres/programs

- **Organizational activities**
  - Job posting systems
  - Career resource centre development & maintenance
  - Using managers as career counselors
  - Providing career development workshop & seminars
  - Human resource planning
  - Performance appraisal Career pathing programs
3. Organisational Development

Directed at developing new & creative organization solutions to performance problems by enhancing congruence among the organization structure, culture, processes & strategies within the human resource domain

- Ultimate aim is to develop organization’s self-renewing capacity

- Self-renewing capacity means organization’s ability to look inside and discover its problems & weaknesses and to direct the resources necessary for improvement

- Possible through collaboration of organizational members with a change agent (an HRD practitioner) using behavioural science theory, research & technology
3.11 Benefits of Human Resource Development

Human resource development is considered as the key to higher productivity, better relations and greater profitability. An appropriate HRD provides unlimited benefits to the concerned organisation. Some of the important benefits are:

1. HRD makes people more competent as it develops new skill, knowledge and attitude among the people.
2. With appropriate HRD initiatives people become more committed to their jobs. People are assessed on the basis of their performance through an acceptable performance appraisal system.
3. An environment of mutual trust and confidence can be created with the help of human resource development.
4. Acceptability towards change can be ensured through HRD. Employees found themselves better equipped with problem solving capabilities.
5. It improves the all round growth of the employees. HRD also ensures team spirit in the organisation. They become broad in their attitude and behaviour.
6. It also helps to create the efficiency culture in the organisation. It leads to greater organisational effectiveness, efficient utilization of resources and goals are achieved in a better way.
7. It improves the participation of worker in the organisation. This improves the role of worker and workers feel a sense of pride and achievement while performing their jobs.
8. It also helps to collect useful and objective data on employee programmes and policies which further facilitate further human resource planning.
HRD provides a bundle of benefits to every organisation. So, the importance of concept of HRD should pre-recognized and given a place of eminence to face the present and future challenges in the organisation.

### 3.12 Pre-requisites for effective Human Resource Development

Human resource development facilitates development of an enabling culture in an organisation. Enabling culture means creating an environment where employees are motivated to take initiative and risk, they feel excited to experiment as well for innovation and they make things happen. To achieve and ensure effective HRD programme the following prerequisites should be observed. They are:

#### 3.12.1 Approach of Top Management

The main goal of HRD is to develop the capabilities of each employee as an individual in relation to his present and future roles. This can be done only by having knowledge of capabilities, limitations and problems of the employees of the concern. Obviously this information can be collected by top management by being in touch with the employees at all levels of the organisation. Top executives should frequently visit the workplace and collaborate with them. The top management must try to know full capabilities and problems of the work force of the organisation at all levels. By adopting this approach, top management can better utilize the capabilities of the available work force and establish rapport among the people in the organisation.

#### 3.12.2 Communication System and Feedback

The successful implementation of the concept of human resource development also depends on proper communication and feedback system. A
A proper communication system should be developed and implemented to provide all pertinent information to the employees from the beginning to the end. This system should be formal and a reliable feedback system should be structured to ensure effective transformation of messages and ideas.

3.12.3 Conditions for Growth and Development

Human resources are the most valuable asset in the organisation. They can be developed to an extent unto their potential. For that a healthy organisational climate should be developed. The progress and prosperity of the company must be shared with the employees, their efforts should be appreciated and they should be recognised by giving rewards, promotions, incentives, etc. Their excellence should be rewarded in an appropriate and acceptable way. At the same time punishment can also be given at appropriate times. If required in normal or exceptional circumstances a balanced environment among all these should be maintained, so as to create the conditions for development of workers.

3.12.4 Investment in Human Resource Development Programme

The maintenance of a healthy working climate and the development of its human resources is a very complicated process. To ensure the desired results the top management and the HRD professionals must invest proper time, funds and energy in each stage of the development programme. The top level management must clear the path, create a development climate and help the employees to realize their potential.
3.12.5 Proper Utilisation of Human Resource Skills

HRD must try to make proper utilization of available and potential human resource skills. Manpower planning and right sizing of human resources may be used for his purpose.

3.12.6 Decentralisation

There should be proper system to ensure involvement of persons at all levels of management. It will create the sense of belongingness and commitment among the workers. Although major policy decisions may be centralized, other important decisions should be made with the involvement of subordinates and even management can think of implementing the concept of Management by Objectives for joint decision making in the organisation.

3.13 Human Resource Development and Organisational Effectiveness

Human Resource Development is a process which is linked to organisational effectiveness. There are many tools of Human Resource Development result in ensuring satisfied and committed people in the organisation. Ultimately these HRD outcomes improve organisational effectiveness. Dr. T.V. Rao has developed a model presenting the inter-relationship between the various aspects of human resource development.

I. Human Resource Development mechanism

II. Human Resource Development processes

III. Human Resource Development outcome variables

IV. Organisational effectiveness
3.14 Human Resource Development Mechanism

Human Resource Development is a system comprising of various subsystems. These sub-systems are known as human resource development mechanism or human resource development instruments applied by the organisation to develop desired human resource development climate and to improve organisational effectiveness through human resource development out comes. There are large numbers of sub-systems or instruments that can be used to develop and facilitate human resource development. T.V. Rao has stated the human resource development matrix that includes the following sub-systems:

1. HRD Department
2. Performance appraisal
3. Review, discussion, feedback, counseling sessions
4. Rate Analysis Exercise
5. Potential Development Exercise
6. Training
7. Communication Policies
8. Job Rotation
9. OD Exercise
10. Rewards
11. Job Enrichment Programmes
12. Other Mechanisms

HRD mechanism in sub systems should be periodically reviewed to ensure whether it has resulted in developing the desired HRD climate. Some of the important human resource development instruments are:
3.14.10 Performance Appraisal

Performance appraisal is concerned with evaluating the present performance or output of the employees by linking it with the performance standard. The individual performance is measured in terms of results. It indicates the extent to which an employee satisfactorily fulfills his present job requirements. It is aimed at identification of competency gaps. It enables the organisation to evaluate the present position, strength and weakness of its human resources. It helps the organisation to assess where it stands in terms of its competitiveness of the human resources required at different levels of the organisational hierarchy as against desired level of human resource requirement. It also aims at identifying the potential of its human resources. Performance appraisal not only let the employee know how well he is performing but should also influence his future level of efforts and task direction. Development oriented performance appraisals have gained momentum now a days. The recent approach is that it is better to achieve human resource development goals through training and developments than through performance appraisal alone.

3.14.11 Potential Appraisal and Development

Potential appraisal is the process involving an in depth evaluation of the employee to assess the extent of ability inherited by him for further growth. It is the process of identifying unutilized skills for capitalizing it. It means assessment and identification of inherent capabilities i.e, skill, knowledge etc possessed by an employee. This capability of the employee may not be used at present. Taking into consideration the dynamic nature of the business, development of the new technology, diversification, modernization, increased competition etc. the potential of the available human resources with the organisation must be assessed in advance to facilitate quick
decision. Development relates to enhancing the employee's potential to accept responsibility and to handle higher position in future. Thus potential development aims at identifying caliber and development of the potential of employees to occupy key position in future and accept responsibility.

3.14.12 Feedback and counseling

The performance appraisal report of employees may be used as feedback information to appraise the performance of the employees. Management may discuss and evaluate the progress of the subordinate with his immediate superior. This review and discussion may help in assessing the need for counseling to the employees. Counselling may help the seniors to understand the problems of their subordinates and vice-versa. It can help the employees in setting goals and designing an action plan to meet these goals. It can also help the employees to overcome the problems faced by him and make the best utilization of his strengths.

3.14.13 Role Analysis

The concept of role is broader than of a job. A job is an assignment of work. Each job calls for a specific set of duties and responsibilities. A role consists of the total pattern of expected behaviour, interaction and sentiments of an individual possessing an assigned job. Role analysis is a process aims at defining the contents of a role in relation to all those with whom the employees have to deal and interact for performing the job. Role analysis is identified as an intervention for the purpose of role clarity and performance appraisal.

A career is a sequence of positions occupied by a person during the course of his work life. Flippo states that a career is a sequence of separate but related work activities that provided continuity, order and meaning in a person's life. Career planning is a process which helps the employees to plan their career. It encourages the employees to analyse and assess their capabilities and inform them about the career opportunities that are available in the organization. The major focus of career planning is to help the employees to match their skills and abilities to the needs and demands of the organization. It aims at providing ample career growth opportunities for its efficient and capable employees. Hence career planning is a systemic process of determination of the career prospects, career development and career growth of an individual employee. It helps to strengthen human resource development system of the organization.

3.14.15 Training and Development

Training and development are the human resource development instruments or sub-systems used by every organization. The importance of training has increased out of the constant improvement in the field of technology. Training is an act of increasing the skill and knowledge of an employee to do a particular job. It aims to increase the efficiency of an employee, for a specific job on the other hand, employee development aims at overall development of the employee. So, most of the organizations believe not only in recruiting the best in the industry but also in developing their competence.
3.14.16 Organizational Development

In simple words, organization development is a systematic process of managing change. It is a planned effort initiated by top management to improve the organization’s health and effectiveness. OD equips the organization to adapt to new technologies, market forces and challenges. It aims to improve the problem solving process in the organization.

3.14.17 Rewards

Reward is the compensation to the employees for their services to the organization. Rewards are necessary to retain the services of efficient employee, motivate the employee for better performance and to attract capable and efficient potential employees to the organization. Employees must be suitably rewarded for their contribution to the organization. Reward may be extrinsic and intrinsic. Extrinsic reward is related to monetary benefits such as salary, promotion, bring benefits etc. Intrinsic reward is related to the job itself i.e. job satisfaction, pride in work, recognition as an individual etc. Better rewards help to achieve HRD goals efficiently. Most of the successful organizations try to provide a combination of both rewards to their employees. For instance, ITCs human resource philosophy enables them to deliver high quality performance and reward talent with competitively superior compensation. Similarly, BSES Ltd. confers Meritorious Performance Award to encourage employees to contribute to progress, prosperity and growth of organization. The Central Government confers Shram Sree Award to the best worker for their remarkable contributions in their employee life every year. So, it motivates the employees to improve their capabilities to become eligible for such intrinsic rewards.
3.14.18 Job Rotation

Job Rotation is another human resource development mechanism or sub-system. This instrument is the least practiced instrument in the industry. This instrument is used to develop managers and supervisors in an organization. It is a systemic and planned programme of interchanging employees from one job to another for a definite period of time. It enables to develop empathy and understanding of functioning of other departments.

3.14.19 Job Enrichment

Job enrichment refers to widening the contents of a job. It is a deliberate upgrading of responsibility, scope and challenge in work. It is a process which helps the individual to grow slow and steady. It is based on the belief that employees want to assume more responsibility. The success of job enrichment depends on how effectively it is being implemented by the work groups.

3.15 HRD process and climate variables

Human resource development mechanism leads to development of desired human resource development climate in the organisation. Human resource development culture is an essential part of the organization climate. It is the perception of the employees about the human resources development culture in the organization. Human resource development experts use the term OCTAPACE to express the important features of human resource development climate. The salient features of human resource development culture are mentioned in Figure 3.4.
Figure 3.3

Features of HRD climate

Human resource development climate in an organization is reflected by its role, clarity, openness, trust, team work, proactive orientation and planning of development of every employee. HRD departments are a sub system in the instrument to initiate HRD culture and achieve the objectives of HRD.

Human resource development climate and processes are dependent on personnel policies, top management styles, investments in HRD, top management commitment, line manager's interest, previous culture etc. To sum up, the relationship between human resource development mechanism and climate are:

- HRD mechanism is most useful interventions to develop a healthy HRD climate
HRD instruments are used to develop desired human resource development processes. The performance and potential appraisal help to assess and determine the competence required for job performance. Review, discussion, feedback, counselling help in building trust and better superior subordinate relations. Role analysis exercises result in role clarity in the organization. Training and potential development exercises have proactive orientation. Job enrichment is a deliberate exercise of upgrading the risk and responsibility in work-group. OD exercises help to manage change and problems in the organizations. It promotes openness, effective communication and inter-departmental collaboration in the organization. It aims at providing a congenial climate for growth and development.

HRD climate is dependent on human resource development mechanism as well as personnel policies, top management styles etc.

HRD mechanism and personnel policies should be periodically reviewed to create and develop desired human resources development climate.

### 3.16 Human Outcome Variables

Human resource development outcome is the result of human resource development mechanism and human resource development processes. Better human resource development climate results in better human resource development outcomes like increased competency and satisfied and committed employees. Besides these outcomes, it results in better utilization of internal resources, team work and better organizational health. An organization with competent and satisfied people is likely to be more effective in comparison to an organization, which is low on these outcome variables. The reflection of
human resource development outcomes should be in different dimensions such as:

- HRD outcomes are the result of HRD climate and processes
- Better HRD climate and processes result in more competent, satisfied and committed people
- HRD processes are many where as HRD outcomes are limited
- HRD outcomes generate and determine organizational effectiveness
- An organization with competent and committed workers is likely to be more effective
- An organization with poor HRD outcomes is the result of its poor HRD climate, poor policies and commitment of the top management. It shows that there is need for improvement in organizational climate and processes.

**HRD outcomes include:**

- Training makes people more competent. They develop new skills, knowledge and attitudes.
- There is greater clarity of norms and standards. People become better aware of the skills required for job performance and the expectations of others from them.
- People become more committed to their jobs because there is greater objectivity in the administration of rewards. The data based appraisal system reduces subjectivity to minimum. They become more proactive in their orientation.
- People develop great trust and respect for each other. They become more open in their behaviour. Thus, new values should be generated.
- There is great collaboration and team work which produces synergy effect.
There is greater readiness on the part of employees to accept change. They find themselves better equipped with problem-solving capabilities.

Lot of useful and objective data on employees are generated which facilitate human resource planning.

Participation develops among workers a sense of achievement and pride in work.

3.17 HRD at macro and micro level

People are the most valuable assets of the organisation. It is not merely a decorative piece in the showroom of an organisation. They must be treated as human. The organisations have always had good faith in their man power and capabilities. So it is very important to get the people who are efficient enough but is even more important to retain those extra ordinary contributories through the acceptance of the concept human resource development. HRD is essentially treated as a collective human and team efforts directed towards improving human abilities available in a given environment. It is mainly related with the development of inner potentials of people working within the organization. Another objective of HRD is to develop the innovative or newer capabilities in the people so as to make them competent to face the present as well as future challenges. Hence, HRD concept applies to both macro as well as micro level.

3.17.1 Micro Level

For any dynamic and growth oriented unit, HRD activities play a very crucial role. In the present fast changing environment, it is like a small wonder for the organization with the help of which a unit can achieve its objective in an effective way. Normally, HRD at micro level performs the task of organizational man power planning, selection, training, performance appraisal,
motivation, development, potential appraisal, compensation, organizational development etc. All these activities collectively provide answer to the problems in the organization. The concept of human resource development provide advantage to the concern in the form of developed man power. Development is related with the development of new capabilities among the employees of the concern with which they can achieve and face and present challenges of the future.

3.17.2 Macro Level

At the macro level, HRD is related with the development of people and nation as a whole. It covers capabilities, skill, activities of people which are more useful to the development among themselves and nations for overall development. In spite of the importance of HRD at mass level, it has not achieved more popularity at the national or macro level. One thing, however, is certain that human resource development is a collective human effort directed towards recognizing and improving human abilities available in a given environment. So to achieve the benefit of human resource development it is essential to understand the micro and macro concepts of the human resources development.

3.18 Functions of HRD Managers

HRD managers or departments play a crucial role in the organization. They perform a variety of functions which include:

3.18.10 Role Analysis

The HRD manager should design the wider roles rather than mere jobs based on the present and future needs of the organisation. The HRD manager
should also take into consideration the internal and external environmental factors.

3.18.11 Human Resource Planning

The HRD manager should plan for the human resource which would meet not only the future organizational requirements but also capability of being developed. The steps in human resource planning include:

- Estimation of present and future requirements and supply of human resources based on objectives and long range plans of the organization
- Calculation of net human resource requirements based on present inventory of human resources
- Taking steps to mould change and develop the strength of existing employees in the organization so as to meet the future human resources requirements
- Preparation of action programmes to get the rest of human resources from outside the organization and to develop the abilities of existing employees.

3.18.12 Recruitment

It is the process of searching for prospective employees and simulating them to apply for jobs in an organization. It deals with identification of existing sources of applicants and developing them, creation and identification of new sources of applicants, stimulating the candidates to apply for jobs in the organization and striking a balance between internal and external sources.
3.18.13 Selection

It is the process of ascertaining the qualifications, experiences, skills and knowledge of an applicant with a view to appraising his/her suitability to a job. This function includes framing and developing of application blanks, creating and developing valid and reliable testing techniques, formulating interviewing techniques, checking of references and setting up of medical examination policy and procedures, line manager’s decision, sending of letters of appointment and rejection and finally employing the selected candidates who report for duty.

3.18.14 Placement

It is the process of assigning the selected candidate with the most suitable job. It is matching of employee specifications with job requirements. This function includes counseling of the functional managers regarding placement and correcting misplacements, if any.

3.18.15 Induction and orientation

Induction and orientation are the techniques by which a new employee is rehabilitated in the changed surroundings and introduced to the environment, practices, policies, purposes and people of the organization. They include acquainting the employee with the company philosophy, objectives, policies, market share, social and community standing, company history, culture and introducing the employee to the people with whom he has to work such as peer, superiors and subordinates as well molding the employees attitude by orienting him to the new working and social environment.
3.18.16 Performance appraisal

It is the systematic evaluation of individuals with respect to their performance on the job and their potential for development and it includes developing of policies, procedures and techniques, helping the functional managers, review and consolidation of reports and evaluating the effectiveness of various programmes.

3.18.17 Training

Training is a systemic process by which employees learn skills, knowledge, abilities or attitudes to further organizational and personal goals. It includes identification of training needs of the individuals and the company, developing suitable training programmes, helping and advising line management in the conduct of training programmes, imparting requisite job skills and knowledge to employees and evaluating the effectiveness of training programs.

3.18.18 Management Development

It is the process of designing and conducting suitable executive development programs to enhance the managerial and human relations skills of employees. It includes identification of the areas of management development, conducting development programmes, motivating the executives, designing special development programmes for promotions by using the services of specialists.

3.18.19 Career Planning and Development

It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes internal and external mobility. Internal mobility includes vertical
upward and downward and horizontal movement of an employee within the organisation. It consists of transfer, promotion, upgradation and demotion.

Suitability of various techniques of Executive Development

<table>
<thead>
<tr>
<th>Technique</th>
<th>Suitability</th>
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</thead>
<tbody>
<tr>
<td>1. Job rotation</td>
<td>Useful in the development of diversified skills &amp; to give executives a broader outlook, which is a very important upper management level.</td>
</tr>
<tr>
<td>2. Under study</td>
<td>Chosen with forethought of making available to the organization a subordinate who equal to his superior in the event of retirement, illness or death of supervisor. The subordinate will be able to take over his possession &amp; manage as effectively as his boss could</td>
</tr>
<tr>
<td>3. Multiple management</td>
<td>Useful is bringing the managers out of their narrow shells &amp; helps them gain a broader outlook &amp; knowledge is different functional areas.</td>
</tr>
<tr>
<td>4. Case study</td>
<td>In development of executive &amp; for analytical &amp; decision making skill development, practically very useful</td>
</tr>
<tr>
<td>5. Incident Method</td>
<td>Improves one’s intellectual ability, practical judgment &amp; social awareness</td>
</tr>
<tr>
<td>6. Role Play</td>
<td>Helps executives in understanding people better by giving them vicarious experiences</td>
</tr>
</tbody>
</table>
7. In basket
Situational judgment & social sensitivity are due to important qualities that can be developed

8. Business Games
Used in order to develop organization ability, quickness in thinking & leadership

9. Sensitivity Training
Helps one to know more about himself & the impact of his behavior on others, which are important to manage people better

10. Simulation
Problem solving through decision making can be developed quite well with the help of simulation

11. Managerial grid
To develop leadership qualities over a long period of time

12. Conferences
The most difficult thing for any one is to change his own attitude. This technique develops the ability of the executives to modify their attitudes, when needed in the interest of the org.

13. Lectures
Best technique to give more knowledge in a short period to large group.

3.19 Surveys on Human Resource Development practices in India

Dr. T.V. Rao conducted a survey of HRD practices in Indian industries which indicated a positive trend in the use of open appraisal system, improving the training function, taking up organisation development and using employee counseling. However, no major breakthroughs were reported in potential appraisal and development, reward administration and promotion decisions. Only few companies had formal policy focusing on HRD. Anyhow, HRD appeared to be becoming a significant aspect of work life in many organisations.
Another survey carried out to judge HRD climate in Indian organisations revealed that it was not very conducive to HRD due to the general indifference of the employees to their own development. The top management in most organisations was not taking sufficient efforts to improve the quality of work life.

3.20 International HRD

Even though the core of HRD remains the same all throughout different countries, the approach towards it may vary from organisation to organisation and from country to country.

- **HRD in United States of America**

  Len Nadler, defined HRD as a series of organized activities conducted within a specified period of time and designed to produce behavioural change among human beings. Common activities in HRD include training, education and development. Training helps to improve job performances; education ultimately helps in improving competency not specific to any one job and development considered as preparation to help the employee move with the organization as it develops.

- **HRD in China**

  HRD is believed as a planned and organized process of education and learning that improve the employees’ knowledge and skill as well as a structured change in their job attitude and behaviour.

- **HRD in Japan**

  The process of HRD is identified in three terms:

  - development of individual abilities,
formulation level of mastery over human resources through the work system and training, and

human resource development through management of human resource process. In short individual development, career development and organization development are the three major areas of HRD covered here. All it ultimately focused towards individual performance excellence.

3.21 Central Board for Workers Education (CBWE)

The Central Board for Workers Education (CBWE) is an autonomous body under the Ministry of Labour & Employment, Government of India. It is started in 1958 and has been playing a very significant role in our national development of the country; creating an enlightened and disciplined workforce and bringing about desirable behavioral changes in our workforce in the organized, unorganized and rural sectors. It gets grants-in-aid from the Ministry of Labour & Employment to operate its activities. The Scheme of Workers Education aims at achieving the objectives of creating and increasing awareness and educating the workforce for their effective participation in the socio-economic development of the country. To achieve these objectives, various training programmes are conducted by the Board for the workers of formal and informal sectors at national, regional and unit levels through a network of 50 regional and 09 Sub-Regional Directorates spread all over the country through the apex Training Institute viz. Indian Institute of Workers Education at Mumbai.
References:

