INTRODUCTION

1.1 Human Resource Development Practices – A Perspective

People are the real assets of an organization provided treated well they can take organizations to commendable heights. Two plus two can be four or even ten. Organizations are generally driven by a set of predetermined goals and they employ physical, financial and human resources in order to achieve the goals. These goals have no meaning unless people understand the underlying philosophy, translate them into concrete action plans and put their hearts while realizing the targets. Organizations thus depend on people for the achievement of the objectives and goals, in similar way, people need organizations. The vast majority of people work to support themselves and their families and people also work for many reasons other than economic security. To meet their multifaceted needs, people and organizations join hands. Unfortunately, this union seldom approaches perfection. Organizations face several problems in their attempt to be productive and efficient in their tasks and feel satisfied in their work. The challenge of human resource management is to minimize these obstacles and improve the contribution made by people to the organizations. Human Resource Development (HRD) as a theory has a framework for the expansion of human capital within an organization and the individual to achieve performance improvement. Peter F. Drucker said the resources stand under the laws of mechanics. They can be better utilized or worse utilized, but they can never have an output greater than the sum of the inputs… Man alone of all the resources available to man, can grow and develop. Human Resource Development (HRD) deals with creating conditions that enable people to get the best out of themselves and their lives. Development is a never-ending process. As people develop themselves in new directions, new problems and issues arise, requiring them to develop new
competencies to meet the changing requirements, aspirations and problems. There are, however, some universal goals towards which all human resource development efforts should aim to achieve. HRD embraces all those policies and programmes that support and sustain equitable opportunities for continuing acquisition and are mutually beneficial to individuals, the community and the larger environment of which they are a part. Adam smith\textsuperscript{1} states “the capacities of individuals depended on their access to education” the same statement applies to organization themselves, but it requires a much broader field to cover both areas.

According to Leon C. Megginson, “The term human resource can be thought of as the total knowledge, skills, creative abilities, talents, aptitudes and beliefs of the individual involved.”\textsuperscript{2} The term human resources can also be explained in the sense that it is a resource like any other natural resources. The term human resources from the organizational point of view defined as the total knowledge, skills, creative, effective and efficient decision making abilities, talents, values, beliefs, aptitudes, attitudes and commitment of individuals and groups involved in and concerned with an organization.

Human Resource play a critical role in the development process of modern economies, Arthur Lewis observed that there are great differences in development between countries, which seem to have roughly equal resources. Hence, it is necessary to enquire into the difference in human behaviour.\textsuperscript{3} A world bank study of 192 countries concluded that only 16 percent of economic growth is explained by


\textsuperscript{2} Leon C. Megginson, “Personal and human Resources administration”, Richard D. Irwin Inc. Homewood, Illinois, 1997, 9.4

physical capital (machinery, Building and Physical infrastructure resources) while 20 percent comes from natural capital but no less than 64 percent of economic growth can be attributed to human and social capital\(^4\). In essence the difference in the level of economic development of the countries is largely a reflective of the differences in the quality of human resource.

1.2 Difference between HRM and HRD\(^5\)

The discipline of HRD was developed because the human resource management function failed to meet the new challenges of the 20\(^{th}\) and 21\(^{st}\) century. Some of the organizations have merely redesigned their personnel departments as HRD departments. But the following are some of the differences between HRM and HRD:

- Human Resource Management (HRM) is viewed as a set of independent sub functions while Human Resource Development (HRD) is seen larger system as well as important 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 keeps itself prepared to face the unseen competition in an organized manner.

- HRM is a narrower concept which only aims at recruiting and administering and developing people. 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.

**HUMAN RESOURCE DEVELOPMENT (HRD)**

**1.3 CONCEPT OF HRD:**

The concept of HRD is not yet well dealt by various authors though each of them defined the term in his own view slightly with different approach. In India many organizations view HRD as synonymous with training and development. Even many organizations in India renewed their training departments as HRD departments. While some other organizations renewed their personnel departments as HRD departments. The concept of HRD was formally introduced by Leonard Nadler in 1969 in a conference organized by the American society for training and development. Leonard
Nadler defines HRD as “those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change⁶.

1.4 HRD: Sustainable growth and financial performance leads to success of an organization. This depends on how well the organization’s critical resources are being utilized by its managers. The three main critical resources for any organization to succeed are financial resources, (money and securities), physical resources (tools, facilities and equipments) and human resources (people to do the work).

Organizations can raise due to the potential of their people’s capacities, skills and motivation. Organizational financial performance is the result of profitability and productivity of its people. Organizations are now a days realizing that human resources are the most important of all the resources. The effective utilization of organization’s human resources is most often the critical factor in the successful accomplishment of the organizations goals. It has become a necessity for all organizations, big or small, whether in service or manufacturing, to employ competent and motivated workers in order to succeed in business. The truly successful organization accomplishes its goal through development of its human resources to their fullest potential.

In the past, importance was given primarily to improving working conditions and motivating employees with monetary and non-monetary benefits, currently, increasing emphasis is being placed on empowerment, motivation, creativity, etc. of its people by the organizations. This has resulted in changed expectations from the employees side. In global environment of competition, organizations are resolving to

develop the employees with emphasis not only on how best they can be utilized for the organization but also on their individual growth and potential development, to be used as a strategy for retention of the employees. HRD aims at overall development of human resources in order to contribute to the wellbeing of the employees, organizations and society at large. HRD is rooted in the belief that human beings have the potential to do better. Therefore, it places a premium on the dignity and tremendous latent energy of the people. Whereas balance sheets show people on the debit side, HRD seeks to show them as assets on the credit side.

At the Individual level: these goals may include developing capabilities for ensuring a happy and healthy living. The dimensions of such happiness may vary from individual. These may include: a good education or skill base that may be the key to income generations and fulfillment of many other social needs; good family and a sense of belongingness to a group society or organization.

At the organizational level: the goal of HRD is normally to have competent and motivated people (employees) to ensure higher levels of productivity, profitability and growth of the organization. Organizations normally direct their HRD efforts towards the development of competencies, culture and commitment among employees individually or in groups. Organizations use many mechanisms to achieve HRD goals, as without competent and committed employees, organization can achieve very little even if they have excellent technological and other resource bases.

At the national level: Human resource development aims at ensuring that people in the country live longer: live happily, free of disease and hunger have sufficient skill base to earn their own livelihood and well-being; have a sense of belongingness and pride through participation in determining their own destinies. The

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promotion of the well-being of individuals, families and societies provides a human resource agenda for all the countries the world over. The most important and common objective of human resource development at all levels is competence (capacity) building for a healthy and happy living. Competencies help people to bring happiness to their lives.

1.5 Definitions of HRD: many economists, thinkers, social scientists, and industrialists came forward to define the term from different aspects. Famous definitions of HRD are as follows

Dr. Len Nadler says, “HRD means an organized learning experience, with an objective of producing the possibility of performance change”

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”.

A definition of HRD is “organized learning activities arranged within an organization in order to improve performance and/or personal growth for the purpose of improving the job, the individual, and/or the organization”.

According to T.V.Rao and Udai Pareek, HRD includes the areas of training and development, career development & organization development. This is related to Human Resource Management - a field which includes HR research and information systems, union/labor relations, employee assistance, compensation/benefits, selection

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and staffing, performance management systems, HR planning and organization/job design\textsuperscript{11}.

**According to T.V. Rao**, HRD is a process by which the employees of an organization are helped, in a continuous, planned way

- A) to acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
- B) to develop their general capabilities as individuals and discover and exploit their own inner potential for their own and/or organizational development; and
- C) to develop an organizational culture in which the supervisor subordinate relationship and team work and collaboration among sub units are strong and contribute to the professional well being motivation and pride of employees\textsuperscript{12}.

In short HRD aims at helping people to acquire competencies required to perform all these functions effectively and make their organization do well.

The HRD from an organizational point of view is a process by which employees of an organization are helped motivated to acquire and develop technical, managerial and behavioural knowledge, skills and abilities. Further employees are helped to mould their values, beliefs, attitudes and aptitudes to perform their roles with optimum potential so as to contribute positively to the individual, group, organizational and social goals.

The above discussion shows that there are three major aspects, viz 1) employees of an organization are helped/motivated, 2) to acquire, develop and mould


various aspects of human resources. The factors may be called “enabling factors” which include organization structure, organizational climate, HRD Climate, human resources planning, recruitment and selections. The second aspect deals with the techniques (or) methods, which are the means to acquire, develop, and mould human resources. These techniques include performance appraisal, career planning and training and development, organizational development social and cultural programs, worker’s participations in management and quality circles. The third aspect includes the outcomes of the HRD process” that help in achieving the individual, group, organizational and social goals.

The HRD outcome can influence the organization’s goals which may be in terms of higher productivity, cost reduction, better image, more profits, more satisfied customers and stakeholders.

1.6 HRD Mechanism: The goal of HRD system is to develop the following

- The capabilities of each employee as an individual
- The capabilities of each individual in relation to his present and future roles
- The dynamic relationship between each employee and his superior
- The team spirit in functioning of every department

to achieve these objectives, mechanism of HRD should include

- Performance appraisal
- career planning
- Training
- Organizational development
- Employee role satisfaction

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o Rewards

o Employee welfare and quality of work life, and

o Human resource information

1.7. HRD – Opportunities: An effective HRD system is perhaps the most important element in organizational effectiveness which not only ensures present performance but also long-term survival and growth of the organization. While every other resource like technology, capital assets and even finance can be bought if one is willing to pay the right price, the only resource that can be bought is motivated human resource which can help not only to the growth of industries but also to the economic growth of the country itself. Through systematic and effective human resource management/development system. Japan was able to convert ordinary people into extraordinary performers.

1.8. HRD PHILOSOPHY: HRD Philosophy represents all those basic ideals, principles and views which are held by the management with respect to the development and growth of its employees that

➢ human resources are the most important assets of the organization
➢ development of HR involves investment of time and concern for growth which is accepted by the organization
➢ it is the foremost duty of every manager to discover the hidden potential of the employees and to utilize them in an optimum manner.
➢ HRD can be planned and implemented to benefit both individuals and organizations.
➢ the HRD is a process and it is not merely a set of mechanisms and techniques;
➢ the managers must clear the career paths, create a developmental climate and help employees to realize their full potential.
- individuals have unlimited potential for growth and development;
- the HRD climate of the organization should be very congenial;
- a healthy organizational climate is essential for developing HR; and
- the commitment of employees increases when the HR is able to find opportunities to use its potential at work\textsuperscript{14}.

1.9. HRD Process: The main characteristics of HRD work in India, both in terms of the concepts and practices, are based on value anchored process and systems. The concept of Human resources in HRD is not value-free. Broadly speaking, there are three meanings attached to the concept of HRD. First, persons working in organizations are regarded as value resources, implying that there is a need to invest time and effort in their development, second, they are human resources which means that they have their own specific characteristics and therefore cannot be treated like material resources. This approach focuses on the need to humanize organizational life and introduce human values into the organization, and third, HRD does not merely focus on employees as individuals but also as other social units and processes in the organization. These include the role the job a person has in the organization, the dyadic unit, (consisting of the person and his supervisor) various teams in which people work, inter team processes, and the total organization.\textsuperscript{15} Therefore six distinguishable human units are included in human resources, namely persons, jobs or roles, dyads, teams, inter teams, and the organization. The emerging developmental processes of the six “human Units” are briefly discussed here under.

\textsuperscript{14} Op cit Udai Pareek and Rao T V, pp. 3-6.

A) The Individual Employee: The individual employee is the key unit in an organization. HRD is primarily concerned with the development of persons working in the organization. So that they may be able to have their own fulfillment and contribute to the goals of the organization. There are important processes relevant to the development of persons or individuals in organizations.

  a) Self management: The persons working in an organization should develop competencies to manage his/her work effectively. This would involve learning to set realistic goals. The goals must be achievable yet challenging. The individual should also learn to analyze the performance process in terms of the factors responsible for the success or failure in achieving the performance results. Some of these factors are related to the employee (self) while others may be concerned with external conditions (extraneous to self). Self management would also involve using information and competency to improve one’s performance in future, an appropriate performance management system in the organization can play a supportive role, infact many organizations design their performance management system with this approach.

  b) Competence Building: The main contribution of HRD to the individual development is in terms of building competencies required for better performance in the job. The individual employee comes with his/her educational background and personal strengths and weakness

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16 Carey, S. “Team pilots start up of law Fare Airline” Wall street Journal, March, 1998. p.131
while working in the organizations; he/she learns new skills that help
him/her to work effectively to achieve organizational goals.

c) Advancement: Every employee wants to advance his/her career in the
organization. HRD should help in the process of such advancement.
Advancement of employees involves a two-pronged approach – (1)
identifying their potential for use in higher responsibilities in the
organization and (2) helping them to develop further potential to take
up new challenges progressively.

B) The Role: Although individual employees perform various complex roles in
the organization, it is necessary to pay attention to these roles independently.
Role is neither synonymous with the job nor it is synonymous with status or
position in the organization. There are three main aspects of the development
processes of roles.

a) Optimum stress: Each role must have enough stressors which may
help the role occupant to stretch himself/herself to meet the challenges
in the role. Where the scope is limited to routine work, the role
occupants, do not perceive any challenge, such a situation is not likely
to motivate the role occupants to do their best they feel under-worked.
While every role has some routine elements, challenge can also be
incorporated into every role. However, the challenge should not exceed
an optional limit; otherwise, it may provide dysfunctional stress,
resulting in poor performance or damage to the health of the
employees in the long run\(^\text{17}\). Metaphorically building optimum stress in

\(^\text{17}\) Motowidlo, S.J. Packard J.S., and M.R. Manning “Occupational stress: its causes and
the role is like setting the strings of a musical instrument at a level where they are stretched enough to produce music but not too much to break.

b) **Linkages:** While roles in organizations are occupied by individual employees, it is necessary to build linkages among the roles as well as linkages of different roles with challenging goals. If the roles get isolated and produce a feeling among the role occupants that their work is very narrow and not of much use to wider groups, and it might have damaging effects on the individuals, as well as on the organization.

c) **Autonomy:** Individuals who occupy various roles feel that they have enough scope to take initiatives or solve problems or do creative work the role occupants and the organization benefits a great deal. HRD must attempt to develop sense of autonomy of this kind in every role, even at the lowest level in the organization\(^\text{18}\).

C) **The Dyad:** The dyadic unit, defined in terms of an employee and his supervisor is the basic building block in an organizational structure. The stronger the dyads are, the stronger the organizations will be. The focus of development in an organization would involve developing the following three processes.

a) **Trust:** The effective work can not be done in an organization unless a trusting relationship is established between the employee and his

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immediate supervisor. Trust does not develop easily; in fact, enormous effort is required to develop such a relationship\(^\text{19}\).

b) **Mutuality:** An effective dyads will require free exchange of help between the employee and the supervisor. A helping relationship is not a one-way process. The supervisor should take help from his employees; as much as he would give enough support to each other.

c) **Communication:** Developing an effective dyads will also involve improving communication between the members (the employee and the supervisor). Both should be able to give and take feedback. More importantly the employee should improve his ability to receive feedback. Similarly the supervisor should improve his competence to coach the employee.

**D Teams:** Effective teams are important for the performance and adaptive strength of the organization. As far as team development is concerned, HRD focuses on two prime areas such as cohesion and resource allocation\(^\text{20}\).

   a) **Cohesion:** The team should be cohesive, well-knit and produce synergy and are able to utilize individual competencies and stimulate innovations.

   b) **Resource utilisation:** An effective team maximizes the use of resources available amongst members of the team. This would satisfy the members, because each member will contribute whatever resources he has, and help the team to produce effective results. Poor teams rely on and use

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\(^{20}\) Camniti, s “what Team leaders Need to Know” Fortune, February 1995, pp 93-100
the resources of only a few members, resulting in limited opportunities for other members.

D) **Inter Teams:** The main emphasis of inter-teams is to develop cooperation among various groups in the organization, so that they are able to work effectively towards the common objectives. The main focus of HRD activity for such cooperation is to develop a corporate identity. Though the teams are strong, they work to achieve their own narrow goals; there is a possibility of unhealthy inter-teams competition, leading to a weak organization. While teams work on their own goals, their linkages with other teams as well as the organization should be achieved through various measures.

E) **The Organisation:** As far as organization is concerned, the following three processes deserve the attention of HRD.

   a) **Growth:** Every organization looks forward to growth. The growth of an organization would involve increase in its size, activities and operations. Even when an organization is not growing in size, it may be concerned with augmentation of service quality or maintaining a leadership position in its field of operations.

   b) **Impact:** Each organization would like to have some impact on outside organizations (or) customers. Impact maybe in terms of developing new markets, development of services or products, introducing new technology that others can follow, and so on.

   c) **Self Renewal:** The organization must examine its work from time-to-time and take steps to update its technology. It should also analyse the present and potential problems imminent in its growth and take
proactive steps to prepare itself to meet these challenges. Self-renewal competency is necessary for organizational effectives and survival\textsuperscript{21}.  

1.10. HRD Climate\textsuperscript{22}: Like child development, HRD also need favorable environment to grow and to make use of the opportunities. Therefore, before carrying out HRD plans HRD climate is to be generated. HRD climate can be defined as a culture which supports proactivity openness, collaboration or delegation, trust, authenticity, confrontation and autonomy.

HRD climate accelerates HRD process and self development of employees.  

1.11. Need for HRD\textsuperscript{23}: For successful achievement of organizational objectives the human factor is the most important factor, because it is the living sector among all other factors of production. The human beings or the people in the organization need knowledge, attitude, values and skills for effective handling of their tasks. The greater the quality of performance of tasks, the higher level skills are required in the people. Hence competent and motivated employees are essential for organizational survival, growth and excellence. The ways in which people can show the effectiveness and improvement are

- cost reductions
- reduction in delays
- increased customer satisfactions,
- improved quality and promptness of services; and
- market image etc.

\textsuperscript{21} Mahanty, Ghanashyama, “Regional Development and Human Development in AP

\textsuperscript{22} Ibid Nagaraju battu p 92.

In order to develop these factors employees competencies need to be developed through systematic HRD practices only.

1.12. CHANGING BOUNDARIES IN HRD: Over a period of time there have been many changes in the HRD function, for instance, some new initiatives have been included in the HRD function which are discussed here under

1) **Initialising and managing quality initiatives:** These include quality circles, small group activities, ISO certificates etc.

2) **Conducting surveys:** These include climate surveys, employee satisfaction surveys, internal customer satisfaction surveys and benchmarking with competitors and others globally

3) **Restructuring salary and Reward systems:** These are carried out through compensation surveys, introduction of stock options performance – linked pay or pay for performance, compensation planning etc.

4) **Enhanced emphasis on Recruitment (or) placement:** With the recognition of the need for competent people, the new economy industries like the IT, Telecom, financial services, insurance, BPO organizations (call centers) have further increased their focus on recruitment and outsourcing of recruitment

5) **Introducing new technologies of training:** It includes e-learning, online education, distance learning, off campus learning, web based learning and use of other technologies for learning.

6) **Corporate Universities and in-house Training Institutions:** The establishment of these learning centres helps in competency building
7) **Introduction of 360 Degree Feedback:** It can be used for leadership development; evolving leadership models that fit into the company culture and take care of the unique needs of the company, and exploring it as an individual as well as performance development tools, experimenting with 360 degree feedback by linking with reward system\(^{24}\).

8) **Assessment or Development centres:** These assessment or development centres help in identifying, developing and promoting talent of individuals. Further, these centres help in identifying high potential employees, thereby organizations can design strategies to retain the talented and meritorious employees.

9) Increased emphasis on mentoring and coaching

10) Increased emphasis on training of all employees particularly operators, workmen etc, through multi skilling, etc.

11) Emphasis on leadership and leadership development at all levels and participation in strategic thinking, business playing mergers, acquisitions etc.

12) Improving quality of work life: It has been brought into focus by the IT industries where the environment becomes a critical factor in the effective functioning of knowledge workers.

1.13. **HRD MATRIX**

HRD matrix shows the interrelationships between HRD Instruments, process, outcomes and organizational effectiveness.

HRD Instruments include performance Appraisal, Counseling, Role Analysis, Potential Development, Training, Communication policies, job rotations, Rewards, Job Enrichment Programme.

HRD Processes include Role Clarity, Performance Planning, Developmental Climate, Risk taking and Dynamism in employees.

HRD Outcomes people become more committed and satisfied, where they tend to give their best to the organization enthusiastically.

Organizational effectiveness – depends on a number of variables like environment, technology, competitors and the like.

1.14. Trends on HRD

- HRD has a significant role to play in establishing and maintaining a healthy productive work culture
- Good Industrial Relations, effective systems of participation and a good collective bargaining framework is key to success of all other HRD activities.
- HRD should cover in its activities the workman and unless workmen receive attention through systematic HRD activities, organizational effectiveness would not improve significantly.
- In the organizational context, HRD is a means for improving effectiveness (in terms of better productivity, reduction of costs, better generation of internal resources, better profits and better customers service) and not an end in itself.
- Further HRD should be a philosophy running through all policies and actions of the organization and not an assemblage of individual programmes.

25 Opcit, Dr. Naga raju Battu, pp 76-77
And therefore, HRD policies, plans and actions should flow from the business strategy of the organization.

- Organization may use HRD both as a means of carrying out traditional activities like recruitment, training, appraisal, manpower planning etc. and also as an instrument of changing the culture and motivating employees.
- In turnaround situations organizations have found HRD as an effective means to reorient culture to improve communications, to change work practices to improve participation involvement and commitment.

1.15. HISTORICAL ROOTS OF HRD

The process of development had been different from time to time. Earlier it used to be the responsibility of the individual to develop himself on his own or under the guidance of GURU. Training by ACHARYA, MAULVI or PRIEST had been the instrument in past which made successful kings, warriors, countries, engineers and architects. Of course we may not have sufficient literature on tinier training and development techniques.

Industrial revolution gave a new dimension to the concept. The skilled artisans were developed through “learning while doing” or “on the job training” methodology. The process started increasing skills and knowledge of the worker and supervisors. In the west, the concept was first evolved by’ Robert Owen who emphasized human needs of workers in 1830. He taught the work place cleanliness and improvement methods. Andrew Ore emphasized the need of welfare activities to improve the worker efficiency.

The need for the excellence witnessed the birth of schools and institutions for apprentice training from 1800 onwards. Mechanics Library was formed in Boston in 1824. The factory school was established by Westing House in 1888 which later on
upgraded to train Engineers by 1898. General Electric (UK) also started factory schools and gave momentum to HRD in the world scenario.

FW Taylor brought about revolution in management thinking. He stressed the inclusion of human values in management. Nineteenth century witnessed a drastic change in the field of HRD\(^{26}\). The term HRD has become very popular during the last decade and especially in the last five years. Many organizations either have started new HRD Departments or have improved HRD managers or at least have strengthen their personal departments to look after their HRD functions. The formal introduction of the concept of HRD was done by Prof. Len Nadler in 1969 in American society for training and development conference. In India Larsen and Turbo Ltd. is the first company to introduce this concept in 1975 among the private sector companies with an objective of facilitating growth of employees, especially at lower levels. Among the public sector companies it was BHEL which introduced this concept in 1980. Even while introducing HRD many organizations were under the impression that it was nothing but training and development concept. Certain companies started remaining their Training and Development department as HRD Departments and some have created new departments. Later some other personnel management functions such as performance appraisal, potential appraisal, Career Planning and development, Feedback and Counseling, organization development and storage systems are included as sub-systems of HRD.

A Survey by Industrial Team Service in 1969 indicated that the personnel function is no longer viable if it does not include or give scope for employment training, welfare measures, employee education, employee benefits, industrial

\(^{26}\) Op cit Dr. Naga raju Battu, pp 79-80.
relations and industrial insurance. Thus, the concept was subject to serious criticism and this has ultimately paved the way for the emergence of HRD.

Table .1.1 Evolution of HRD in chronological sequence

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<thead>
<tr>
<th>S.no</th>
<th>Concept</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Concept of commodity</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.</td>
</tr>
<tr>
<td>2</td>
<td>Concept of production factor</td>
<td>Labour is treated as any other factor of production, viz; money, material, land</td>
</tr>
<tr>
<td>3</td>
<td>Concept of Goodwill</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>5</td>
<td>Concept of paternalistic</td>
<td>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>
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<tr>
<td>6</td>
<td>Concept of Humanitarian</td>
<td>To improve the productivity, physical, social and psychological needs of workers must be fulfilled</td>
</tr>
<tr>
<td>7</td>
<td>Concept of Human Resource</td>
<td>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.</td>
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<tr>
<td>8</td>
<td>Concept of HRD</td>
<td>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 development of people.</td>
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1.16. SUB-SYSTEMS OF HRD

HRD system has several sub-systems. When it was started, it had only two sub-systems i.e. Training and Development. But after carrying several research studies it is now understood that other aspects may also be included, they are as follows:

- Performance Appraisal
- Potential Appraisal and Development
- Career Planning & Development
- Training and 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

1.16.1) Training and Development

The main purpose of training is to provide learning opportunities and resources for:

a) improving performance on the present job.

b) developing managerial and behavioral skills and

c) functioning effectively as an individual.

These can be provided through suitably designed company programmes and deputation to external training programme. A training policy is generally adopted after finding the training needs of the organization. Training typically involves providing employees with the knowledge and skills needed for a particular task or job and attitude change may also be attempted. Developmental activities have a long-term
focus on preparation for future work responsibilities, and also increase the capacities of employees to perform their current jobs.

Training and development activities begin when a new employee enters the organization usually in the form of employee orientation and skills by the training officer. The HRD staff and supervisor generally share the responsibility for designing the orientation process, conduct general orientation session and begin the initial skills training.

Once new employees have become proficient in their jobs, HRD activities should focus more on the developmental activities-specifically coaching and counselling. HRD professionals are also responsible for coordinating management training and development programs to ensure that managers and supervisors have the knowledge and skills necessary to be effective in their positions. These programmes also include supervisory training, job rotation, seminars in college and university courses.

1.16.2) Career Planning and Development

Career Development is an ongoing process by which an employee progresses through a series of stages, each of which is characterized by a relative set of issues, themes and tasks. (Rao T V 2004) Career Development involves activities performed by an individual often with the assistance of counsellor and others to assess his/her skills and abilities in order to establish a realistic career plan. Career management involves taking necessary steps to achieve the plan and generally focuses more on what the organization can do to foster employee career development.

1.16.3) Organization Development:

It can be defined as applying behavioral science concepts to bring about planned change in the organization. The aim of OD is to bring about organizational
effectiveness by indulging micro and macro level changes. Some of the micro level changes are Team-building, conflict resolution etc. whereas macro level changes are structural reorganization, Cultural transformation etc.28

The role of HRD professional involved in an OD intervention is to function as a change agent. Facilitating change often requires consulting with and advising line managers on strategies that can be used to affect the desired change. The HRD professionals may also become directly involved in carrying out the intervention strategy such as facilitating and meeting of the employees responsible for planning and implementing the actual change process.

1.16.4) Performance Appraisal System:

Generally performance appraisal is done by comparing the output that the worker or employee produces with what is supposed to produce. If both are equal, we say his performance is normal. If the output is more, performance is said to be high. This system is used in traditional personnel management merely as a control device. Though it has the scope to develop the performance standards of the employee, this aspect has been thoroughly discounted in personnel management. The essentials of the new performance appraisal system used in HRD are:

a) It is now a line responsibility and not a personnel function or activity.

b) It calls for goal setting by appraiser and appraised together.

c) It requires appraisal interviews and counselling and feedback in an interaction session with openness.

1.16.5). Potential Appraisal

Another subsystem of HRD is potential appraisal. Employees’ potential or capabilities to perform, the functions are examined and methods to improve skills are

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also evolved under this subsystem. Potential appraisal defined as it 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 assure higher positions and responsibility on the organizational hierarchy. The potential appraisal has main components like

a) Identification of functions in the organization and capabilities required to accomplish these functions.

b) methods and instruments to measure these qualities

c) continuous assessment potentiality of each employee to perform upper level roles

d) elevation policy and appropriate feedback.

Of course an employee’s potentiality can be effectively tapped only if the right developmental climate is present in the organization.

1.16.6) Employee Welfare and Quality of Work life:

Welfare of employees should be the pivotal 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 congenial 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.
1.16.7) 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.

1.17. Essential Conditions for HRD

Human resource development is a systematic and planned activity that is managed by HRD executives. This contributes in development of skills, knowledge, ability, capability, attitude, aptitude and competencies of human resource of the organization. Through HRD functions efforts are put to bridge the gap between the existing and presently required competencies. It can not work out in isolation but many factors are responsible for effective working of HRD activities. Following are the essential conditions to plan and make HRD efforts successful:

- **Positive Attitude:** For a successful HRD practices whoever is involved must have positive attitude. Without positive attitude the persons will not take interest in the jobs to teach and learn. It will become half hearted effort. It may prove a mere effort to waste time, efforts and money.

- **Willingness to Learn:** A person who is interested in learning more skills and acquire knowledge should be ready and willing to learn more even when they face any difficulty during learning process.

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➢ **Favourable Working Conditions and Culture:** these two conditions make the situation easier for the individuals and motivate them to go for learning during the development of HRD activities. It is possible in favourable working culture to give the desired standard of performance and behaviour.

➢ **Support of Top Management:** for planning and making HRD efforts successful the style and attitude of top level management should be favourable. If they are interested then only the resources can be allocated and facilities can be provided. Hence top management involvement is essential for successful HRD practices.

➢ **Support of Trade Unions:** Trade unions are group of workers and they work to protect interests of workers. Trade union leaders must know that HRD efforts not only for the benefits of employees but also for organization. They must convince the employees to get involved willingly in HRD activities.

➢ **Skills of Trainer:** trainer is the person who trains the employees regarding rules, regulations, procedures of work and technology. If we have a well trained trainer with positive attitude, proper communication skills and knowledge of the jobs the effect of training will be more.

### 1.18. HRD FRAME WORK

To highlight the broad scope of HRD, various methods are discussed here to address the development of individuals and organizations.

#### 1.18.1 ASSESSMENT OF NEEDS:
This sounds simple, but organisations are often in hurry. Implementing a solution and the correct intervention is sometimes correct but not always. But organisations plan, very carefully and cautiously, before
making most other investments in process changes, in capital and in operating expenditures. Organisations need to do the same for HRD -- implement appropriate planning. This needs assessment and planning will lead to several possible ways to improve performance (of course, one of these is to do nothing – we may decide to focus on other activities with greater impact and greater value)

1.18.2. PROGRAM DESIGN, DEVELOPMENT & EVALUATION.
Consideration of the benefits of any HRD intervention before we just go and do it is necessary; what learning will be accomplished? What changes in behavior and performance are expected? Do we get them? And of prime importance—what is the expected economic cost/benefit of any projected solutions.

1.18.3 TRAINING & DEVELOPMENT: Acquiring knowledge, developing competencies and skills, and adopting behaviors that improve performance in current jobs, including: adult learning theory and applications, instructional systems design, train-the-trainer programs, and instructional strategies and methods.

1.18.4 ORGANISATION DEVELOPMENT: The diagnosis and design of systems to assist an organization with planning change. OD activities include: change management, team building, learning organizations, management development, quality of work life, and management by objectives, strategic planning, participative management, organizational restructuring, job redesign, job enrichment, centralization vs. decentralization, changes in the organization’s reward structure, process consultation, executive development, action research, third party interventions, and more.

1.18.5 CAREER DEVELOPMENT: activities and processes for mutual career planning and development between management, employees and organizations. Changes in organizations (including downsizing, restructuring, and outsourcing) are
resulting in more empowerment for employees. The responsibility for employees career development is downloaded, career development is now the responsibility of the individual.

1.19 ORGANIZATION RESEARCH & PROGRAM EVALUATION: It is a programme of exploration of methods to evaluate, justify, and improve on HRD offerings.

1.20 THE HRD PROFESSION(S) AND PROFESSIONAL ORGANIZATIONS: HRD can give the tools needed to manage and operate any organizations. Everything – production, management, marketing, sales research & development. Everything may be more productive if people are sufficiently motivated, trained, informed, managed, utilized and empowered.

1.21. HRD Department: HRD Department will play a very crucial role in achieving the objectives and goals of HRD. The following are some of the activities, the HRD department has to undertake to achieve the HRD objectives/goals/mission etc.

- develop a HRD philosophy for the entire organization and get the top management committed to it openly and consistently;
- keep inspiring the line managers to have a constant desire to learn and develop;
- constantly plan and design new methods and systems for developing and strengthening the HRD climate;
- be aware of the business/social/other goals of the organization and direct all their HRD efforts to achieve these goals;

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• monitor effectively the implementation of various HRD subsystems/mechanisms;
• work with unions and association and inspire them;
• conduct human process research, organizational health surveys and renewal exercise periodically; and
• influence personnel policies by providing necessary inputs to the personnel department /top management..

1.22. HRD EXECUTIVES: HRD executives and professionals should demonstrate the strategic capability of HRD in three primary ways. They are

1. Directly participating in their organizations strategic management process.
2. Providing education and training to managers in the concepts and methods of Strategic Management and Programs.
3. Providing training to all employees who are aligned with goals and strategies of the organization. (Rao, T.V. and Pareek, Udai 2008)

The role of HRD professional has become increasingly important and visible as organizations make necessary transition to a global economy. The immediate role of HRD executive is to redefine the new role of HRD during this period of unprecedented change.

1.23. HRD CHALLENGES TO ORGANISATION'S AND PROFESSIONALS:

Organizations face many challenges Micheal Hitt et al, (1998) have identified that increasing globalization and technological revolution as two factors that organization can take to address the uncertainty and turbulence in the external environment. These actions include.
- Developing employee skills
- Efficiently using new technology
- Developing new organization structure
- Building organization cultures that foster learning and innovation

Key areas of responsibility for HRD are

- Organization structure
- Job descriptions
- Human Resource Planning
- Recruitment/placement
- Performance Appraisal
- Training and Development
- Salary/Pre requisites management
- Career Planning/growth

1.24. HRD IN INDIAN INDUSTRY:

Successful Implementation of HRD plans in any country depends substantially upon relevant policies and practices of other developed and developing countries apart from its own internal policies and constraints. Since last 44 years, India has acquired considerable skills and expertise in running complex enterprises. Even an average Indian has been found competent especially in grasping capacity. Nevertheless, the potential of Indians is not being properly harnessed for various reasons.

There is an acute shortage of knowledge and skilled manpower on one hand and the abundant supply of human resource cheaply available in our country on the other. The task of HRD in India therefore is not a simple one uneven employment stagnant development in various sectors and pressure of demand do not allow to think

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31 Opcit, Dr Nagaraju Battu HRD a conceptual framework pp 96-97.
of well planned HRD policies in our country. The term HRD has become very popular that during the last decade and especially in the last five years, many organizations either have started new HRD Departments or have improved HRD managers or at least have strengthened their personal departments to look after their HRD functions.

The formal introduction of the concept of HRD was done by Prof. Len Nadler in 1969 in American society for Training and Development conference. In India, Larsen and Turbo Ltd. is the first company to introduce this concept in 1975 among the private sector companies with an objective of facilitating growth of employees, especially at lower levels. Among the public sector companies it was BHEL which introduced this concept in 1980. Even while introducing HRD, many organizations were under the impression that it was nothing but training and development concept. Certain companies started renaming their Training and Development department as HRD Department and some have created new departments. Later, some other personnel management functions such as performance appraisal, potential appraisal, Career Planning and development, Feed back and Counseling, Organization Development and storage systems are included as sub-systems of HRD.

A Survey by industrial Team Service in 1969 indicated that the personnel function is no longer viable if it does not include or give scope for employment training, welfare measures, employee education, employee benefits, industrial relations and industrial insurance. Thus, the concept was subject to serious criticism and this has ultimately paved the way for the emergence of HRD.

Although, India took the lead in the Asia Pacific region, by setting up a full Ministry of Human Resource Development, the national human resource development
concept in India has largely been limited to education and culture. The complexity of the country perhaps makes it difficult to have an integrated HRD systems at the national level. Networking and learning from each other among various ministries and institutions from the corporate sector will, however, go a long way in effectively evolving and implementing NHRD policies. (Rao T.V. 2004)

What started in the mid-1970’s as a conceptualization of an integrated HRD system to change the performance appraisal systems in a large engineering company, resulted in the establishment of HRD departments in many firms. Further dissemination and perseverance resulted in the establishment of a centre for HRD, and subsequently the birth of a professional body and, later an academic institution. The authors describe the growth in eight stages and conclude the path for future is moving towards national HR Policies and other social sectors. (Pareek Udai & Rao T V 2008)

1.25. HRD Relevance to Training and Development: Every organization needs to have well trained people to perform the activities that have to be done by specialists in order to increase job performance. It is necessary to raise the skill levels and increase the versatility and adaptability of employees. In a rapidly, changing society, employee training and development is not only an activity that is desirable but also an activity for which an organization must commit resources, and retain available knowledge and workforce. Training is a process of learning a sequence of programmed behaviour. It is an application of knowledge; it gives people an awareness of the rules and procedures to guide their behaviour. It attempts to improve their performance in the current job, and prepares them for an intended job. Dale S. Beach defined training as the organized procedure by which people learn knowledge and skills for a definite
Development is a related process as it covers not only those activities which improve job performance, but also those, which bring about growth of the personality and help individuals in the process towards maturity and actualization of their potential capacities. So that they become not only good employees but also better men and women. The term development can be defined as the nature and direction of change taking place among personnel through educational and training process.

Need for Training and Development: Every organization should train and develop its employees irrespective of their qualifications, skills and suitability for the jobs. Training is something that is given not once to new employees, but it has to be imparted continuously in every well-run establishment. Further, technological changes and automation require updating the skills and knowledge of workers and employees as such an organization has to retain and develop the existing employees. In this era of technological changes this is an absolute necessity. Training is necessary when a person moves from one job to another. After the training the employee can change job quickly, improve his performance level and achieve carrier goals comfortably. From these, it is clear that, training is needed to bridge the gap between what the employees has and the job demands. Training is needed to make employees more productive and useful in the long run.

Training and Development Inputs: There are three primary training and Development inputs such as skills, attitudes, and Knowledge. The primary purpose

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of training and development is to establish a sound relationship between the employee and his job and purpose can be served. When the workers attitude is in favor of the job then the workers knowledge regarding the job and organization is adequate when the worker possesses the required skills. Training and development activities are, therefore aimed at increasing and moulding the skills, attitudes and knowledge of employees. In view of the importance of training and development inputs a brief discussion is made here under.

Skills refer to training and development, which encompass activities ranging from the acquisition of a simple mechanical skill to a complex administrative one. Attitudes refer to the orientation programs undertaken by organization to mould and build favorable attitudes among employees towards the organization and goals. Employees should posses knowledge about the job, the organization and the industry in general. Further, employees should develop special knowledge about the job and also knowledge relating to the standards of the particular discipline relating to the job. Organizations have to provide their knowledge through training and development programs.35

**Significance of Training and Development:** The significance of human resource Management to a large extent depends on Human Resource Development and training is its most important technique. It is a fact that no organization can get a candidate who exactly matches with the job and the organizational requirements. Hence training is important to develop the employees and make him suitable to the job. Training works towards value addition to the company through HRD. The significance of

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training and developing the employees and executives can be understood from the following observations.

Training and development help employees to increase their level of performance. Which directly leads to increased productivity and improved profitability to companies. Further, it helps employees and managers to understand the most effective and efficient way of performing the job, in fact, the increasingly technical nature of modern jobs demands systematic training to make possible even minimum levels of accomplishment\textsuperscript{36}.

Employees who are disloyal perform jobs with limited supervision. Both employee and supervisor want less supervision but greater independence, which is not possible, unless the employees are adequately trained. Trained employees are not prone to accidents; further organizations can be stable, even if key employees and managers leave them. This is due to the fact that the trained workforce can adjust to the changes easily in the organization. For instance, flexibility the ability to adjust to short run variations in the volume of work requires personnel with multiple skills. It is no exaggeration to state that trained employees with multiple skills can only adjust to the short-term fluctuations in the volume of work.

**Training Evaluation:** Decision based evaluation model frames decision about how to measure training impact around the intended purpose for evaluation purpose of decision making, marketing and providing feedback to participants, instructors, or instructional designers. The model also emphasizes tailoring evaluation measures to the needs and sophistication of the intended audience. It proposes a comprehensive taxonomy for evaluation, including the assessing of training programme, changes in the learner and changes in the organization.

1.26. HRD Relevance to Career Planning and Development:

Career planning essentially means helping the employees to plan their capacities with the context of organizational needs. It is described as devising organizational systems of career movement and growth opportunities from the point of entry of an individual in employment to the point of his retirement\(^{37}\).

Individual career planning assumes greater significance in view of the spread of knowledge, phenomenal increase in educational and training facilities and widespread increase in job opportunities. Similarly organizational career planning also gained importance with the change in technology, human needs, values and aspirations, increase in organizational size, complexity and a number of openings at different levels.

A career is all the jobs that are held during a person’s working life. Edwin. B. Flippo defined a career as a sequence of separate but related work activities that provide continuity order, and meaning in a person’s life. Douglass T Hall defined a career as “an individually perceived sequence of attitudes and behaviors associated with work related experiences and activities over the span of the person’s life\(^{38}\).

Need for Career Planning and Development

Career planning is necessary due to the following reasons;

1) to attract competent persons and to retain them in the organization;

2) to enable the employees to develop and make them ready to meet future challenges;

3) to increase the utilization of managerial reserves within the organization;

\(^{37}\) I bid. Rishipal, pp 57-7.

4) to correct employee placement and also to provide suitable promotional opportunities;
5) to reduce employee dissatisfaction and turnover; and
6) to improve motivation and morale

The essence of a progressive Career Planning and Development is built on providing support for employees to continually add to their skills, abilities and knowledge. The support includes the communication of organizational goals and future strategies to employees. All the companies should provide interesting and professionally challenging work experiences to employees. Further companies should be generous in providing time off from work for the job training. At the same time organizations should reimburse the fee to those employees who pursue higher studies so that the latter can keep themselves updated with modern developments and advances.

CAREER PLANNING AND DEVELOPMENT VARIABLES:

- **Job Performance:** Employees must prove that his performance in the job is to the level of the standards established, if he wants career programs;
- **Exposure:** Employees who desire for career progress should expose their skills, knowledge, qualifications, achievement, performance etc.
- **Change of Job:** Employees who put organizational loyalty above career loyalty may change the job in the same organization if they find that career

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opportunities in other jobs in the same organization are better than those in the present job.  

1.27. HRD – ROLE SATISFACTION

As a member of the organization, an individual is assigned certain duties and activities, and is given a certain position or status, and he assumes certain functions. These duties, positions and functions may be termed as his ‘Role’ in the organization and constitute an important component of the individuals situation. A role has certain prescribed aspects it carries with it a commitment to do certain things and not to do certain other things. Finally, there are certain things that the individual may or may not do, behavior that is permitted but not demanded. All these components of an individuals role are largely defined by the expectations and beliefs of other members of his ‘role set’. The role set of every individual is that small group of persons with whom the member is directly associated due to the type of work flow and technology and the line of authority.

The role set of an individual in the organization typically includes his immediate superior, his subordinates and certain members of his own or other departments with whom he must work closely.

The continuous development in the field of HRD has given importance to the concept of roles in the organization. (Rao and Pareek, 2008). The trend of measuring role satisfaction, which is a core and micro-component to job satisfaction, has emerged. Based on these grounds, an attempt has been made to explore the relationship between HRD Climate and Role satisfaction of the individuals in the

40 Opcit. Rishipal, pp 57-72.  
organizations. Role satisfaction is defined as the degree of satisfaction of psychological needs in one’s role in an organization. Researchers have identified basic human needs as achievement, affiliation, influence, control, extension and dependence.\footnote{McClelland DC, “Motivational Paradigm of Development” Journal of social Issues, 24 (2), 1975, pp 112-115.}

It was proved that those individuals whose need for achievement is satisfied will exhibit better performance \cite{Ekramul Hogue and Hasanth Ali, 1998}.\footnote{Hogue E and Ali H, “Achievement Motivation and Performance of Public sector commercial Bank Employees in Bangladesh” Indian Journal of Industrial Relations, 1998 Vol 33 No. 4 pp. 497-503.}

Although some needs may be higher than others, everyone has these needs and seeks to satisfy them in their organizational roles. Unfortunately, job descriptions are seldom complete role definitions except at operative levels. At middle and higher management levels, they say little about the more subtle, informal and discretionary aspects of the job. They may not tell about the behavioral expectations of multiple groups that impinge upon the job incumbent. The result is therefore, to give the individual comfortable feeling that there are several aspects of his role which have remained unsaid. To overcome this shortcoming, Role Analysis technique is followed in HRD. By taking into account the expectations of various members of the role set, role analysis enables the role incumbent to perform his job effectively.

**ROLE SATISFACTION VARIABLES**

- **Achievement (AC)** Behavior directed towards competition with a standard of excellence to reach goals.
- **Influence (IN)** Concern to make an impact on others and an urge to develop people.
- **Control (CL)** Behavior of an individual with orderliness and urge to monitor and take corrective action when needed
- **Affiliation (AF)** Establishing and maintaining close, personal relationships and tend to express one’s emotions.

- **Extension (EX)** Showing concern for others, interest in super-ordinate goals and the urge to be relevant and useful to others.

### 1.28. Role of Government in developing 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, Prebishi, Hirshman 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 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. 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 which are 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 many profit motives. 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’s developed work force. Hence they should be helped in developing their potential to shoulder responsibility of nation’s development.

1.29. Future Perspective of HRD\textsuperscript{44} : A variety of new situations/developments that are emerging of late in the industrial and business world throw new challenges to HRD managers. Prominent among these are listed out below. They must be able to face these challenges and future developments boldly, courageously and with all innovative skills, dynamism and imagination at their command. Otherwise, they are erased out of the main stream of management in the corporate world. For this purpose, they must equip themselves with the needed skills, abilities/competencies, experiences, knowledge, information and perceptions etc.

- Advances in Technology,
- Changes in sources of raw materials and financial resources,
- New and diverse customers,

\textsuperscript{44} Opcit, C. Swarajyalakshmi, pp 38-39.
- Corporate restructuring,
- Alternations in industries structure,
- Changes in government regulations regarding corporate governance,
- Down sizing of organizations/enterprises,
- Mergers and acquisitions,
- New and revised business strategies,
- Advances in automation and technology,
- New services requirements; and
- New and enhanced products skills becoming obsolete. Skills that are employed at present in technological/manufacturing activities becoming obsolete as a result of the tremendous growth of science and technology and continuous flow of a series of innovations, discoveries and inventions and emergence of a variety of new products, materials, designs, practices etc.)

**Conclusion**: out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality. In case, lack of attention to the other factors those are non-living may result in reduction of profitability to some extent. But ignoring the human resource can prove to be disastrous. Out of all the resources of an organization, human resource is probably the most critical resource. Therefore, in the present chapter the concepts, definitions and the origin of HRD and historical roots of HRD and other related concepts have been discussed at length along with its critical perceptions and the sub-systems and philosophy of HRD and trends and future of HRD. HRD Plays very important role in restructuring of organization, global competition, technological changes, employee empowerment, strategic outsourcing, compensation to top level managers, commitment, retention of employees and future of HRD research. From the
above point it is felt that HRD efforts play very important role in present competitive environment for an organization.