Chapter No. 1
Evolution of Human Resource Development Concept
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1. Introduction:
Development of Human Resource (HR) is a vital factor for the economic development of any Nation. The problem has become more acute because of the rapidity with which change in skill profile are being brought about by technological development & environmental changes. Today the competition at national & international level, quality conscious & awareness assurance, waste control & reuse productivity increase, indigenous product design & research, high automation, computerization, ecology & environmental aspects & technological hike demands development of HRs technologically & scientifically in a progressive manner.

Most Human Resource Development (HRD) activities take place within an organization setting. Within the control, HRD can be described as an organizational unit comprises of various tasks & progress such as Executive Development, Career Counseling, Technical & Administrative training. It is newest perspective. It is a discipline like other applied fields. It aims at achieving career development, improving communication & coordination, section of motivation & job satisfaction & contribution to prosperities & the growth of organization.

People are organizations living aspects displaying emotion, making decision & causing things to happen. HRD help in enabling every individual to work as a member of an effective team & to realize & activate his potential which enables him to achieve the organizational goals.

HRD is the process of developing competence of individual employees dynamic groups, team & of total organization to achieving corporate goals.

HRD creates condition wherein every employee can realize his potential & feeds like contributing his best in achieving organizational goals. Any organization can achieve its objectives by creating people who are productive & effective.

1.1 Definition:
Human Resource development can be defined as a set of systematic & planned activities designed by an organization to provide its members with the opportunities to
learn necessary skills to meet current & future job demands. Learning is at the core of all HRD efforts. HRD activities should begin when an employee joins an organization & continue throughout his or her career, regardless of whether that employee is an executive or a worker. HRD programs must respond to job changes & integrate the long term plans & strategies of the organization to ensure the efficient & effective use of resources.

1.2 The Evolution Of Human Resource Development:
Although the term human resource development has only been in common use since the 1980s the concept has been around a lot longer than that. To understand its modern definition, it is helpful to briefly recount this history of this field.

1.2.1 Early Apprenticeship Training Programs:
The origins of HRD can be traced to apprenticeship programs in the eight century. During this time, small shops operated by skilled artisans produced virtually all household goods such as furniture, clothing, & shoes. To meet the growing demands for their products, craft shop owners had to employ additional workers. Without vocational or technical schools, the shopkeepers had to educate & train their workers. For little or no wages, these trainees, or apprentices, learned the craft of their master, usually working in the shop for several years until they became proficient in their trade. Not limited to skilled trades, the apprenticeship model was also followed in the training of physicians, educators & attorneys. Even as late as the 1920s, a person apprenticing in a law office could practice law after passing a state supervised exam. Apprentices who mastered all the necessary skills were considered “yeomen,” and could leave their master & establish their own craft shops; however, most remained with their masters because they could not afford to buy the tools & equipments needed to start their own craft shops. To address a growing number of yeomen, master craftsmen formed a network of private “franchises” so they could regulate such things as product quality, wages hours & apprentice testing procedures. These crafts guilds even more difficult for yeomen to establish independent craft shop. By powerful craft guilds & created a collective voice in negotiating higher wages & better working conditions. Yeomanries were the forrunners of modern labour unions.
1.2.2 Early vocational education programs:

In 1809, a man named deWitt Clinton founded the first recognized privately funded vocational school, also referred to as a manual school, in New York City. The purpose of the manual school was to provide occupational training to unskilled young people who were unemployed or had criminal records. Manual schools grew in popularity, particularly in the Midwestern states, because they were public solution to social problems: what to do with "misdirected" youth. Regardless of their intent, these early forms of occupational training established a prototype for vocational education.

1.2.3 Early Factory Schools:

With the advent of the Industrial Revolution during the late 1800s, machines began to replace the hand tools of the artisans. "Scientific" management principles recognized the significant role of machines in better & more efficient production systems. Specially, semiskilled workers using machines could produce more than the skilled workers in small craft shops. This marked the beginning of factories as we know them today.

Factories made it possible to increase the production by using machines & unskilled workers, but they also created a significant demand for the engineers, machinists, & skilled mechanics needed to design, build, & repair the machines. Fueled by rapid increase in the number of factories, the demand for skilled workers soon outstripped the supply of vocational schools graduates. To meet this demand, factories created mechanical & machinist training programme, which were referred to as factory schools.

The first documented factory school in 1872 was located at Hoe & company, a new York manufacturer of printing presses. This was soon followed by Westinghouse in 1888, General Electric & Baldwin Locomotive in 1901, international Harvester in 1907, & the Ford, Western Electric, Goodyear, & National Cash Register. Factory School programs differed from early apprenticeship programs in that they tended to be shorter in duration & had a narrower focus on the skills needed to do a particular job.
1.2.4 Early Training Programs for Semiskilled & Unskilled Workers:

Although both apprenticeship programs & factory schools provided training for skilled workers, very few companies during this time offered training programs for unskilled or semiskilled workers. This changed after two significant historical events. The first was the introduction of the Model T by Henry Ford in 1913. The Model T was the first car to be mass-production using assembly line, in which production required only the training of semiskilled workers to perform several tasks. The new assembly line cut production costs significantly & Ford lowered its prices, making Model T affordable to a much larger segment of the public. With the increased demand for the Model T, Ford has to design more assembly lines, and this provided more training opportunities. Most of the other automobiles manufacturers who entered the market used assembly line processes, resulting in a proliferation of semiskilled training programs.

Another significant historical event was the outbreak of World War I. To meet the huge demands for military equipments, army factories that produced nonmilitary goods had to retool their machinery & retrain their workers, including the semiskilled. For instance, the US shipping board was responsible for coordinating the training of ship builders to build warships. To facilitate the training process, Charles Allen, director of Training, instituted a technique named Job Instruction training (JIT) & is still in use today for training many workers on the job.

1.2.5 The Human Relations Movement:

One of the undesirable by-products of the factory system was the frequent abuse of unskilled workers, including children, who were often subjected to unhealthy working conditions, long hours, & low pay. The appalling conditions spurred a national anti-factory campaign. Led by Mary Parker Follett & Lillian Gilbreth, the campaign gave rise to the “human relations” movement advocating more humane working conditions. Among other things, the human relations movement provided a more complex & realistic understanding of workers as people instead of merely “cogs” in a factory machine.

The movement continued into the 1940s, with World War II as a backdrop Abraham Maslow published his theory on human needs, stating that people can be motivated by both economic & non economic incentives. He proposed that human needs are
arranged in terms of lesser to greater potency (Strength) and distinguished between lower order (basic survival) & higher order (psychological) needs. Theories like Maslow's serve to reinforce the notion that the varied needs & desires of workers are important sources of motivation in the workplace.

1.2.6 The Establishment of The Training Profession:
With the outbreak of World War II, the industrial sector was once again asked to retool its factories to support war efforts. As with World War I, this initiative led to the establishment of new training programs within larger organizations & unions, the federal government established the Training Within Industry (TWI) Serviced to coordinate training programs across defense related industries. TWI also trained company instructors to teach their programs at each plant. By the end of the war, supervisors from 16,000 plants, unions & services were trained. Many defense related companies then established their own training departments with instructors trained by TWI.

1.2.7 Emergence of Human Resource Development:
During the 1960s & 1970s, professional trainers realized that their role extended beyond the training classroom. The move toward employee involvement in many organization required trainers to coach & counsel employees. Training & development (T & D) competencies therefore expanded to include interpersonal skills such as coaching, group process facilitation, & problem solving. This additional emphasis on employee development inspired the ASTD to rename itself as the American Society for Training & Development (ASTD).
The 1980s saw even greater chances affecting the T & D field. At several ASTD national conferences held in the late 1970s & early 1980s, discussions centered on this rapidly expanding profession. As a result, ASTD approved the term human resource development to encompass this growth & change. Influential books by individuals such as Leonard & Zeace Nadler appeared in the late 1980s & early 1990s, and these helped to clarify & define the HRD field. Further in the 1990s & up to today, efforts were made to strengthen the strategic role of HRD that is how HRD links to & supports the goals & objectives of the organization.
There was also an emphasis within ASTD (and elsewhere) on performance improvement as the particular goal of most training & HRD efforts, and on viewing organizations as high performance work systems.

1.3 HRM/HRD – Recent Past A Systematic Approach :- *Journey from Personnel to Human Resource Management (HRM)*

Before we go into the changed scenario in business after 1991, let us trace the journey from personnel to HR in which the new economy business have played a greater part; especially the software sector. When we trace the journey, we will also try to understand the difference between the erstwhile personnel & current HRM. Lot of shifts have happened over the last 5 decades. The Human Resource Management functions as an important management activity in India can be said to have gained recognition & prominence in the wake of the emergence of information technology as an industry. Thus, when establishments in the Information Technology (I.T) sector started engaging personnel for the Human Resource Management functions, as distinguished from the Personnel function, it did not come as a surprise.

To understand this shift in emphasis as well as the switch, it is necessary to consider as to how this change came about. The personnel function, as we know it today, has a hoary past. Its emergence dates back to the period of World War II when the allied armies fought to the period of powers represented by the Nazis, Italians & the Japanese. During this period, the allied power fighting in ordinance & other factories producing goods for the troops at the front. The spirited response of workers to war effort convinced the powers that the human factor, if properly motivated, could pay a major role in improving production & productivity in times of peace also. Thus, when the war ended, steps were initiated to set up personnel departments in manufacturing concerns to improve the performance of workers by providing them basic facilities & better working conditions of work. These activities became forerunners for the time, became an integral part of the management function & made managements aware of their responsibility to the men & women in their employment.

After cessation of the hostilities, the International Labour Organization (ILO) took up the task of persuading member nations to adopt & implement conventions & recommendations relating to the condition of workers in factories & establishments. These endeavors included, among other things, amending statutes relating to working
hours, Social Security benefits, Industrial disputes resolution, payment of minimum wages etc.

As time passed, the personnel function became indispensable & management utilize its services to administer, maintain discipline, negotiate with unions on matter of collective interest & represent management in Collective Bargaining, negotiations for revision of wage & other benefits of the employees. These activities came to be recognized as its function was totally involved in dealing with Unions & disciplinary matters & as management's spokesman in Union Management Negotiations & dealings. In the course of time, it came to be identified as a disciplinary function whose function was mainly to deal with labour grievances. However, in several organizations, personnel managers played a key role & assisted line managers in matters connected with productivity also. In India unfortunately, in spite of the varied nature of its activity, it was looked upon as a disciplinary function only.

In India during the post war & post independence period, legislation providing additional financial benefits to labour was enacted which imposed additional financial & other obligation on the employers who tried to avoid such impositions. This attitude on the part of the employers led to disputes and differences between management & labour, encouraged belligerency leading to the formation of Unions. To protect the interests of the workmen, the Unions took resources to legal remedies provided by the laws & took the disputes to courts. To deal with such issues, it became necessary to seek the help of people who were conversant with the laws. As the interpretation & implementation of the labour laws had been the task of the personnel professional, it was assigned to them. The situation continued for almost five decades until the software industry signaled a change by replacing the Personnel function by the Human Resource function. Now HRM is not only Industrial Relation (IR) but something much more.

If refer back to history, in Indian literature also one finds healthy examples of well-developed human resource approach. Rishi Valmiki in Ramayana (Sunderkand Sarg 64, shlokas 16 and 17) writes that people who carried out difficult & important task must be respected. That, no compulsion was to be exercised on anyone doing such jobs & to perform well. This approach implies that due recognition & freedom of action is necessary for good performance.

Similarly example of healthy philosophy is example of Chattrapati Shivaji Maharaj are full of evidences of intelligence on HRD reflected in his visioning, articulating,
selecting on the basis of intrinsic competence, trusting, motivating & strategizing people aspects with long term focus. It is a grand story of building an empire in the face of adversities, through compelling vision by motivating very common people.

In India particularly, post independence era characterized by nationalization & start up of various public sector undertakings employing thousands of employees, gave thrust to awareness of managing human aspects of industry in a more scientific way. The focus during such days was more towards personnel & administration side of HRD. The approach towards handling human resources was limited to administrative compliance than strategic human resource development.

Though the realization of and systematic progress towards HRM approach began in India post 1970, the reflection of this approach can be traced back in as early as 1907. Jamshedji Tata’s vision in 1907 give insights into healthy HR approach of Tatas. Tata Steel started around 1910 fostered the philosophy of “managing human resources with human considerations” which is essence of today’s HRD.

This essence is very beautifully mirrored in a letter Dorabjee wrote to his son in 1917 that reads, “The welfare of the laboring classes must be one of the first cares of every employer. Any betterment of their conditions must proceed far more from the employers downward rather than be forced up by demands from below, since labor contended, well housed, well fed, well brought up, generally well looked after, is not only an asset and advantage to the employers, but it also serves to raise the standard of industry & labor of today; we are also securing a supply of healthy & intelligent labor for the future”...

Most of the pioneering work of generating awareness about humane and caring approach towards human assets of the organization is reflected in programs and welfare activities initiated at Tata Steel even before different statues were passed by Government for these purposes in future years. Highlights of these includes –

- Introduction of 8 hrs shift in India in 1912, which was not practiced even in home of Scientific Management U.S.
- Starting up of free medical check of workers & their families in 1915 while ESI Act was passed in India in 1948
- Establishment of welfare department in 1917, while factories act came into existence in 1948
- A school for TISCO workers children was started in 1917
• Workers Provident fund, leave with pay & accident compensation was initiated in 1920 where as EPF Act was passed in 1952
• Maternity benefit was introduced in 1928 where as the statue in this respect was passed by Government in 1961
• An ex-gratia payment for road accidents was introduced by the company in 1979.
• Though the Tata Philosophy was way ahead in its maturity of HR approach the rest of Indian industry was more or less stuck up & contended with Personnel function. The approach towards HR management during years of “Permit Raj”, protected & controlled economy was far away from the realization of Human Resource Development as a tool to gain competitive advantage in the market. Since the winds of competition were away from Indian thresholds, the strategic contributions of Human Resources of the organizations were neither realized nor felt necessary.

People have always been central to organizations, but their strategic importance is growing in today’s knowledge – based industries. An organization’s success increasingly depends upon the knowledge, skills & abilities (KSAs) of employees, particularly as they help establish a set of core competencies that distinguish an organization from its competitors. With appropriate HR policies & practices an organization can hire, develop & utilize best brains in the marketplace. Realizing this MAHAGENCO has also established the HR department. Prior to the research study there was General Administrative Department (GAD) functioning in MSEB then MAHAGENCO. As the need of the hour MAHAGENCO too felt that it has to shift its focus on human resource, which has resulted into establishment of HR department at MAHAGENCO.