3.1 Introduction

Development of human resource is an on-going and dynamic process encompassing individuals, groups, organizations and societies. The core of management i.e., the human element is the essence of human resource development. Over the years, it has emerged as a key player not only in realizing the business goals of organization but also as a potential resource for gaining competitive advantage (Reed & DeFillipp, 1990; Barney, 1992; Wright & McMahan, 1992; Lado & Wilson, 1994). This ever-grazing and increasing realization among organizations have resulted in the creation of proper HRD divisions for developing their employees and managerial personnel. In addition, with economic liberalization and globalization of trade, finance as well as labor, the comprehensive implementation of HRD programmes has become the order of the day for companies facing intense internal and global competition.

Human resource development consists of comprehensive and integrated set of arrangements which are known as HRD mechanisms or sub-systems. Apart from training and development dimensions with which it is generally associated, HRD interventions can be effectively used to achieve behavioral changes, work culture, productive efficiency, quality and integration through the development and promotion of cross functional awareness (Singh, 2013). Such integration may be achieved by co-ordination, team work, expression, participation, recognition and growth so as to reconcile employee satisfaction conducive to accomplishment of organizational goals.

Further, surviving in a rapidly changing and competitive business environment, firms would require coping with market changes, employee involvement, productivity and quality targets, enhanced employee expectations, and with changing government policies. This however, is possible to achieve only by introducing suitable HRD interventions and evolving HRD climate to manage cooperation and conflicts at appropriate levels in the organization building process. This section of the study has particularly been endeavored to explore the definitive background, theoretical bases and underlying philosophy governing the field of human resource development. It is also expected to ponder some light on the critics attached with human resource development, the present stature of the field and its future development.
3.2 Human Resource Development from Global Perspective

The globalization has influenced business firms in a variety of ways. The growing competition between firms have resulted in improved quality and reduced cost. However, the free movement of goods, services, finance, people and information has exerted tremendous pressure on human resource management function to adapt to the changing requirement of the business firms. Human resource management is a field of study that deals with the people at work. It is that branch of management which is involved in the procurement, training and development of the people in the organizations. It is concerned with- (i) Understanding the workforce to provide leadership; (ii) Developing their potential to meet the needs of the organization; (iii) Attracting and selecting suitable talent; (iv) Controlling, motivating and integrating the personnel employed; (v) Managing trade unionism, industrial relations, wages, welfare activities; and (vi) Foster a climate of productivity, team work and healthy labor management relations for the accomplishment of organizational objectives (Singh, 2013). The most important functions of HRM is the building of human capital. Human capital refers to the stock of employee skills, knowledge and capabilities that may not show up in a balance sheet but have significant impact on a firm’s performance (Aswatthappa, 2010 p: 7).

It is easy to understand why people often use the expression ‘the world is getting smaller’. The increasing levels of trade and commerce, communication and relations between the countries have made us to think like that. Globalization is all about the creation of borderless global economy that allows unhindered movement of finance, products, services, information, and people (Mankin, 2009). The increasing intensity of globalization of business has probably touched the HR manager more severely than any other functional head. The HR executive needs to give international orientation to whatever he or she does - employee hiring, training and development, performance review, remuneration, motivation, welfare, or industrial relations. International orientation assumes greater relevance as businesses get increasingly interlinked across nations. The scope of International HRM is much broader than managing domestic HR activities. There are issues connected with international taxation, international orientation and relocation, administrative services for expatriates, host-government regulation, and language translation services.
(Aswathappa, 2010 p: 761). The corporations are in need of global leaders who can think and act from a global perspective.

Globalization has reduced the gap and resulted in the closer integration of the countries and people of the world. The free movement of goods, services, capital, information and people between countries also resulted in reduced cost, improved quality and increased levels of competition between the firms competing through their products and services in the international market. The globalized business and increasing levels of competition has a far reaching impact on Human Resource Management (HRM) in terms of problems of unfamiliar laws, languages, practices, competition, attitudes, management styles, work ethics etc. demanding the HR manager to be competent enough to bear the pressure and absorb the heat of internationalization. Thus, to be a front runner, HRD practitioners are required to acquaint with global trends and the issues which matter most to their stakeholders (Ulrich & Brockbank, 2005). The knowledge thus attained needs to be integrated with an understanding of global economy and different national HRD policies and practices (Swanson and Holton, 2001), and with an understanding of cultural differences and how these can influence the formal and informal workplace learning (Marquardt et al., 2004). Moreover, HRD practitioners should know how to design, deliver and evaluate strategic global training in a multinational environment (Petranek, 2004). This enables the HRD function to design interventions that are linked to the achievement of organizational goals.

### 3.3 Human Resource Development at National Level

The shift from an industrial to a post-industrial knowledge economy in developed nation has created a rising demand for workers with higher level skills (Mankin, 2009). For instance the US has seen an increase in the demand for certified skills training based on national stands in response to increased employer demands for more highly skilled employees (Carter, 2005). Much of the demand for higher skill is addressed at organizational level through a combination of strategies encompassing retraining, recruiting from abroad, off-shoring, and out-sourcing. National HRD is intended to provide a coherent set of policies for the social and economic development of a country. It encompasses a wide range of concerns including; public
health, environmental protection, diversity, education, and vocational training. The way in which national HRD is handled varies from country to country.

The concept of national HRD has emerged in response to global trends that have political, social, and environmental as well as economic implications. It encompasses a broader range of issues than National Vocational Education and Training (NVET), such as health, safety, community, and culture (McLean, 2004) and considers the implications of developing a country’s human and social capital (Paprock, 2006). Although the nature and purpose of HRD at national level differs from one country to another it is possible to discern five emerging models of NHRD which include: centralized, transitional, government-initiated, decentralized/free market, and small nation (Cho & McLean, 2005). A centralized NHRD is a top-down approach in which the central government is responsible for the provision of education and training. Transitional approach reflects in a situation in which the responsibility for NHRD is in transition from a centralized to a decentralized model. While government initiated NHRD initiatives are initiated by government. In decentralized/free-market, the vocational education and training are the responsibility of the private sector with indirect support from government. Finally, small nations need to cooperate and share resources through regional initiatives so that the quality of life is maintained. This is achieved through a combination of educational qualifications like MBA, short courses, seminars, and conferences aimed at senior managers, and applied research and consultancy.

3.4 Human Resource Development in Organizational Context

Human resource development in the organizational context encompasses a range of organizational practices that focus on learning; training, learning, and development; workplace learning’ career development and lifelong learning; organizational development organizational knowledge and learning (Mankin, 2009). Development of people is a subject with tremendous scope and enormous relevance to the business managers at any level. Over the years, organizations worldwide have become cognizant with the prominence of human resource. The real life experiences substantiate the assumptions that no matter how automated the activities of an organization may become, it is extremely challenging to manage it unless the human efforts are integrated with them. This realization has propelled HRD as major area of
study in recent years (Matthews et. al., 2000). In this study, the concern is particularly to study and understand the concept of HRD within the organizational context and not from national or global perspective.

Development of human resources is the need of the hour for any dynamic and growth oriented organization to succeed in a rapidly changing business environment. Organizations are the groups of individuals who work together for their common interest. These groups of individuals or organizations flourish only through the efforts and competencies of the people working in them. Any organization would thus, require HRD to develop the goals, sub-systems and beliefs of the organization to improve’ the capabilities of individuals; the role of individuals; the attachment between management and the employees; co-operation among the departments; the overall environment of the organization that increases the capabilities of individuals, dyads, teams and the entire organization (Singh, 2013). Normally, HRD systems in the organizations would include the following mechanisms or sub-systems to help employees to update their existing skills and acquire some new:

- Performance appraisal of employees.
- Career planning of employees.
- Training and development.
- Quality management.
- Productivity improvement.
- Improving quality of work life.
- Rewards for achievement oriented performances.
- Promoting team spirit and health industrial relations.
- Periodic employee surveys and diagnosis of organizational health.
- Research and systems development.
- Storing of human resources information.

Singh, S. K. (2013) in his book maintained that Human resource development system should emphasize on collective collaborations and address the needs and aspirations of employees in a humane and holistic manner. He further opined that organizational rejuvenation can be made possible through HRD interventions and HRD climate characterized by OCTAPACE (openness, Confrontation, Trust, Authenticity, Proactivity, Autonomy, collaboration, and Experimentation) culture with the following visible results in terms of:
Emergence of a harmonious Industrial Relations climate.
High levels of motivation and trust.
Visibly higher initiative by workers.
Creative problem solving abilities amongst workers and innovation.
Reduced absenteeism and better discipline.
Successful introduction of total quality management/ISO systems.
Successful retrenchment, redeployment and VRS schemes.
Foreign collaborations as sources of technology.
Reduced organizational stress.
Cost reduction and waste elimination.
An urge to excel and client concern.
More cohesive team efforts.
Greater sense of identification and pride in the organization.

Human resource development systems in the organizations have to capture the workers’ imagination, so as to optimize their strengths and energy systems (physical, mental and emotional) to make them capable of creative responses to complex industrial situations.

3.5 Evolution of Human Resource Development

Human resources in organizations received the management’s attention much earlier, as early as in 1800 BC itself, ‘minimum wage rate’ and ‘incentive wage plan’ were included in the Babylonian Code of Hammurabi (Aswathappa, 2010 p: 30). Prior to industrial revolution, the people who used to work together in small groups were guided by craft system. Under this system, production of goods and services was carried on by small groups of workers in relatively smaller workplaces, mostly in homes. However, the formal HRM function and department was initiated in 1920. This was the period that witnessed the emergence of trade unions to safeguard the interest of workers because of the difficult conditions which followed the First World War. Later on, as a result of Hawthorne studies, the social side of workers was realized by managers and the effect of social factors on the performance was understood (Bala, 2010). In India, on the recommendation of The Royal Commission in 1931, the labor-welfare officers were appointed to deal with the selection of workers and to settle their grievances. The Factories Act was enacted in 1948. This
Act made the appointment of welfare officers mandatory in industrial establishments employing 500 or more workers. Moreover the two professional bodies, the Indian Institute of Personnel Management (IIPM) and the National Institute of Labor Management (NILM) were set up to safeguard the interest of people working in industries. These two bodies were later merged in 1980 to form the National Institute of Personnel Management (NIPM).

By 1960’s the personnel functions began to expand beyond the welfare aspect, with labor welfare, IR and personnel administration integrating into the emerging profession called Personnel management (Aswathappa, 2010 p: 31). With the advent of technology and increase in competition the emphasis shifted from mere people’s welfare to human values and productivity through people. The scope and coverage of personnel management widened with the inclusion of various functions like human resource planning, recruitment and selection, training and development, talent management and retention, and more importantly industrial relations management. A brand new realm of personnel functions was witnessed under the banner Human resource management. However, specification of various personnel functions like career planning, coaching, training and development, potential appraisal, performance management, feedback, counseling and reward system lead to the evolution of new term like human resource development (HRD). The west had earlier predicted decline and fall of ‘Personnel’ to be replaced by something which we call HRD now (Ingalls, 1980 in Rao, 1991). Similarly, in our part of the world, the shift was predicted by Monappa and Saiydain (1979, in Rao, 1991). They stated that “…the traditional method of confidential reports will be replaced by process-utilization-oriented methods. Here both the outcome and the process will be the focus of the year-end evaluation. Techniques such as management by objectives and performance budgeting will become common because they will take on the painful job of communicating negative evaluation and will place the burden of evaluation on the employee himself. Merit rather than seniority will be the criterion for promotion…” Therefore, since from its formal inception in 1920, the study of people’s management has grown into a matured profession. The people from being considered as mere cogs in a wheel to the most valuable resources in the organizations and now the human capital, the journey continues. The profession might be called as Human Asset Utilization in near future.

More specifically, 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 Toubro Ltd was the first to design and implement the concept in 1975 among the private sector companies with an objective of facilitating growth of employees, especially people at the lower levels. Among the public sector government companies, Bharat Heavy Electrical Ltd. (BHEL) introduced the concept in 1980 (Rao, V. S. P., 2005).

The development of human resources in UK and USA was largely voluntary while, in India, it emerged because of governmental interventions and compulsions. It focuses the developmental aspects of human resources with a pragmatic and a flexible approach. The intended purpose of HRD efforts is to gain a competitive advantage in the market place through a superior workforce (Pattanayak, 2005). Rao (2005) provided a chronological sequence of the trends through which the concept of Human resource development (HRD) has emerged and developed as a separate field.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Description</th>
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<tbody>
<tr>
<td>The Commodity Concept</td>
<td>Human resource was referred as ‘a commodity’ to be bought and sold. Wages were decided on the basis of demand and supply forces. Government also did not care much about the work force at that time.</td>
</tr>
<tr>
<td>The Factor of Production Concept</td>
<td>Labour is treated as any other factor of production, viz; money, material, land, etc.</td>
</tr>
<tr>
<td>The Goodwill Concept</td>
<td>Welfare measures like safety, first aid, lunch room, rest room etc. These measures proved to be a source of boosting up the</td>
</tr>
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</table>
morale of workers, and enhancing their performance.

The Paternalistic Concept: Management must assume a fatherly and protective attitude towards employers. Paternalism does not mean merely providing benefits but it signifies to satisfy various needs of employees just as parents meet the requirements of the children.

The Humanitarian Concept: To improve the productivity, physical, social and psychological needs of workers must be fulfilled. Elton Mayo and some other along with him stated that money is less a factor in determining output, than group standards, group incentives and security. The Organization is a social system that has both economic and social dimensions.

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

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


3.6 Defining Human Resource Development

Despite numerous attempts, no definitive consensus has been reached as to what HRD is and comprises off. Arguably, the lack of clarity regarding definitional boundaries and conceptual under-pining may be due to the multidisciplinary and omnivorous nature of the field. The multi-disciplinary nature of the field of HRD has long been established. HRD is considered as an inter-disciplinary foundation that human and organization studies may describe more accurately the context and substance of HRD (Chalofsky, 2004; Hatcher, 2006). While, Swanson & Holton (2001) articulated what they see as the core foundational tenant of HRD i.e.; a strong belief in learning and development as avenue to individual growth, a belief that organizations can be improved through learning and development activities, a commitment to people and human potential, and, a deep desire to see people grow as individuals and a passion for learning.

Several authors deny defining HRD and argue that the field of HRD has become so large, extensive and inclusive, defies all definitions and boundaries, and is
difficult to put in box (Blake, 1995). To propose definition of HRD is to misrepresent it as a thing of being rather than a process of becoming (Lee, 2001). McGroldrick et al (2002) believes that attempts to define HRD have proved frustrating, confusing and elusive. Lack of boundaries and parameters in the process of defining HRD, lack of depth in empirical evidence of some conceptual aspect of HRD and the confusions over the philosophy, purpose, location and language of HRD has made them think so. Moreover, for some commentators, HRD appears to be inwardly directed and without substantial impact (McLean & Wang, 2007). They question whether the lack of definitional consensus is harmful to the field and could potentially lead to the collapse of the field itself.

The literature provides a good collection of HRD definitions. McLean and McLean (2001) in their attempt to define HRD described it as “any process or activity that, either initially or over the long term, has the potential to develop adult’s work based knowledge, expertise, productivity and satisfaction, whether for personal or group/team gain or for the benefit of an organization, community, nation or ultimately the whole humanity”. This definition takes inclusively international perspective of HRD and views it as an agent of societal and national development and not merely focusing on organization. The following table presents a historical summary of the HRD definitions found in the literature.

### Table 3.2: Summary of Human Resource Development Definitions

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
<th>Key components</th>
<th>Underlying theories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nadler (1970)</td>
<td>HRD is a series of organized activities conducted within a specified time and designed to produce behavioral change.</td>
<td>Behavioral change; Adult learning</td>
<td>Psychological</td>
</tr>
<tr>
<td>Jones (1981)</td>
<td>HRD is a systematic expansion of people’s work related abilities, focused on the attainment of both organizational and personal goals (p.188)</td>
<td>Performance, organizational and personal goals</td>
<td>Philosophical; system; psychological; economic</td>
</tr>
<tr>
<td>Swanson (1987)</td>
<td>HRD is a process of improving an organization’s performance through the capabilities of its personnel. It includes activities dealing with work design, aptitude, expertise, and</td>
<td>Organizational performance</td>
<td>Economic; psychological; philosophical; system</td>
</tr>
<tr>
<td>Author</td>
<td>Definition</td>
<td>Goals</td>
<td>System(s)</td>
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<tr>
<td>Jacobs (1988)</td>
<td>Human performance technology is the development of human performance systems and the management of the resulting systems, using a systems approach to achieve organizational and individual goals.</td>
<td>Organizational and individual performance</td>
<td>System</td>
</tr>
<tr>
<td>R. Smith (1988)</td>
<td>HRD consists of programs and activities, direct and indirect, instructional and/or individual that positively affects the development of the individual and the productivity and profit of the organization.</td>
<td>Training and development; organizational performance</td>
<td>Economic; psychological</td>
</tr>
<tr>
<td>McLagan (1989)</td>
<td>HRD is the integrated use of training and development, career development and organizational development to improve individual and organizational effectiveness.</td>
<td>Training and development; career development; organizational development</td>
<td>Psychological; system; economic</td>
</tr>
<tr>
<td>D. Smith (1990)</td>
<td>HRD is the process of determining the optimum methods of developing and improving the human resources of an organization and the systematic improvement of the performance and productivity of employees through training education and development and leadership for the mutual attainment of organizational and personal goals.</td>
<td>Performance improvement</td>
<td>Performance; system; psychological; economic</td>
</tr>
<tr>
<td>Marquardt and Engel (1993)</td>
<td>HRD skills include developing a learning climate, designing training programs, transmitting information and experience, assessing results, providing career counseling, creating organizational change, and adapting learning materials.</td>
<td>Learning; climate; performance improvement</td>
<td>Psychological; human performance</td>
</tr>
<tr>
<td>Swanson (1995)</td>
<td>HRD is a process of developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance.</td>
<td>Training and development and organization development; performance improvement at the organization work process, and</td>
<td>System; psychological; economic</td>
</tr>
<tr>
<td>Author</td>
<td>Definition</td>
<td>Levels</td>
<td>System and Psychological</td>
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<tr>
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<td>-----------------------------------</td>
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<tr>
<td>Watkins and Marsick</td>
<td>HRD is the field of study and practice responsible for the fostering of a long-term, work-related learning capacity at the individual, group and organizational levels. As such, it includes- but is not limited to- training, career development and organizational development.</td>
<td>Learning at all the levels and organizational development.</td>
<td></td>
</tr>
<tr>
<td>Slotte et al. (2004)</td>
<td>HRD covers functions related primarily to training, career development, organizational development and research and development in addition to other organizational HR functions where these are intended to foster learning capacity at all levels of the organization, to integrate learning culture into its overall business strategy and to promote the organization’s efforts to achieve high quality performance.</td>
<td>Training, career development, organizational performance.</td>
<td>System, Psychological and Economic</td>
</tr>
<tr>
<td>Werner and DeSimone</td>
<td>A set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands.</td>
<td>Learning and development</td>
<td>System, Psychological and Economic</td>
</tr>
<tr>
<td>David Mankin (2009)</td>
<td>Human resource development in the organizational context encompasses a range of organizational practices that focus on learning; training, learning, and development; workplace learning’ career development and lifelong learning; organizational development organizational knowledge and learning.</td>
<td>Learning, training, career development</td>
<td>System, Psychological</td>
</tr>
<tr>
<td>Sanjeev Kumar Singh</td>
<td>HRD is concerned with creating a climate of work culture, productive efficiency and integration by; building the capabilities of people; preparing them for change; improving productivity with quality development and achieving</td>
<td>Training and development, Organization development, and Performance</td>
<td>System, Psychological, and Economic</td>
</tr>
</tbody>
</table>
Chapter 3

Human Resource Development: A Conceptual Exploration

| Organizational goals in a dynamic and competitive business environment. |

Source: Adapted from Weinberger (1998)

HRD is a function in an organization that provides opportunities for an individual worker to improve current and future job performance, while simultaneously best utilizing human capital in order to improve the efficiency of the organization itself (Byrne, 1999). The scope of HRD is extended to developing competencies of human resource by enhancing knowledge, building skill, changing attitude and teaching values, at one side, and creation of conditions through public policy, programs and other interventions to help people apply these competencies for their own as well as organizational well-being, on the other side (Rao, 1991).

3.7 Human Resource Development: Theoretical background

An underlying philosophy or a core belief or otherwise a theory is indispensable when it comes to explaining the subject matter of the field or discipline that is emerging and growing (Chalofsky, 1999). A theory is simply an explanation of what a phenomenon is and how it works (Torrace, 1997 p: 115). Therefore, the following paragraphs are devoted towards discovering the theoretical bases of HRD as a field of study.

HRD as a field of study is multi-disciplinary in nature and thus borrows its existence from various allied fields. The theoretical metaphor of HRD is believed to be supported through the three core theory domains of Psychological theory, Economic theory, and System theory (Passmore, 1997; Swanson, 1993, 1995b). All three of these theories are unique, complementary and robust. Economic theory is particularly acknowledged as a primary driver and survival metric of organizations; system theory deals with purpose pieces and relationships that can maximize or strangle systems and subsystems, and, psychological theory recognizes human beings as brokers of productivity and renewal along with the cultural and behavioral nuances. These theories together form the core sediment underlying the discipline of HRD.

The scholars visually present the theories in shape of a stool comprised of three legs with each providing a great stability for HRD as a discipline and field of practice required to function in the midst of uneven and changing conditions. Over the years, given the demands of global economy and de-regulation of markets, the stool...
has been placed on ethical rug- between its three theories and the context, in which HRD functions. Thus, the whole theory of HRD is posed to be the integration of psychological, economic, and system theories within an ethical frame.

3.7.1 Economic Metaphor of Human Resource Development

HRD derives its basic plot of existence from economics. The economic principle for HRD revolves around managing scarce resources and the production of wealth (Swanson and Holton, 2001). Organizations are economic entities and carry business primarily for economic benefits. Over a period of time, they must generate more income than they spend in order to exist. Therefore, unless expenditure on HRD contribute towards the performance and shows it in terms of profitability of an organization, those expenditures will almost certainly be reduced or eliminated. The economic theory leg draws upon three specific economic theory perspectives believed to be the most appropriate to the discipline of HRD; (a) scarce resource theory; (b) sustainable resource theory; and (c) human capital theory.

![Fig. 3.1 Economic theory proponent of HRD](image)

Scarce resource theory concerns about shortages and limitations of everything like limitations in money, raw-materials, time so on and so forth. This theory requires us to make choices as to how capital will be used in order to gain the greatest return. Sustainable resource theory adds sustainability agenda to the scarce resource theory. It is believed that in future sustainable advantage will depend on new process technologies and less on new product technology (Thurow, 1993). Human capital theory emphasize on the social and economic importance of human resource. The well-known economist Alfered Marshall (1949) informs us that the most valuable capital is that invested in human beings. Becker (1993) considers education and
training to be the most important investments in human capital. Thus to conclude, HRD calls upon economic theory at its core, as it takes place in organizations that are economic entities.

3.7.2 System Theory Foundations of Human Resource Development

Organizations are seen as systems. A system has been defined as a collection of elements in a way that every element affects the performance of the whole and that any element or part affecting the whole depends upon other. System theory is concerned with systems, wholes, and organizations (Ruona, 1998). It is a collection of general concepts, principles, tools, problems and methods associated with systems of any kind (Passmore, 1997 p: 206-207). Many scholars base system theory as core of HRD (Gradous, 1995; Jacobs, 1989; McLagan, 1989; Ruona, 1998). It contributes valuable knowledge to HRD in various ways like providing; (1) Information-knowledge or data about system, (2) Capabilities- the potential to act and (3) Directional- guidance for a field’s activities and development. The following three important system theory perspectives have been proposed to be appropriate to HRD; (a) general system theory, (b) chaos theory, and (c) future theory.

Fig. 3.2 System Theory proponents of HRD

General system theory bears on focusing multiple disciplines on wholes, parts, the organization and connectedness of the various parts, and the relationships of systems to their environment. Chaos theory is the quantitative study of unstable aperiodic behavior in deterministic non-linear dynamically system (Kellert, 1994 p: 2). It acknowledges and studies unsystematic phenomenon that do not appear to follow the rules (Swanson & Holton, 2001). Futures theory is about the liberation of people’s insights (Schwartz, 1996). In this context, it is concerned with planning for
future in uncertain conditions. Future theory is critical for sustainable performance, as it prepares one to recognize and cope with evolving future states. Since, HRD takes place in organizations that are themselves systems and sub-systems functioning within an environmental system that is ever changing, system theory may also be considered as its core (Buckley, 1968; Gradous, 1989).

3.7.3 Psychological theory proponent of Human Resource Development

The psychological foundations upon which the field of HRD draws its core theory includes - theories of learning, human motivation, information processing, group dynamics and psychology based theories of decision-making and behavior (Swanson & Holton, 2001, p:96). Psychology is one of the core theories of HRD (Passmore, 1997; Swanson, 1994). According to Passmore (1997) psychology is a science of behavior and mental processes of human and other animals. It revolves around the mental processes of humans and determinants of human behaviour (Swanson, 1997). The three proposed foundational psychological theories contributing to the discipline of HRD include; (a) Gestalt theory; (b) behavioral theory; and (c) cognitive theory (Swanson, 1998 p: 102).

![Diagram of Psychological Theory proponents of HRD]

**Fig. 3.3 Psychological Theory proponents of HRD**

Gestalt is a German term which means configuration or organization. Gestalt psychology focuses on the integration of the parts of the self into the whole person. It informs us that we do not see isolated stimuli but stimuli gathered together in meaningful configurations (Swanson & Holton 2001, p: 97). Gestaltists see people as contributing towards experience not contained in the sensory data and that people experience the world in meaningful whole (Hergenhahn & Olsom, 1993). Thus the concern is for the whole and interaction of parts rather on the part of a system only.
Behavioral psychology contend that individuals respond the only way they can, given their experience, capability and present forces working on them. Behavioral psychology relates human behavior within organizations with organizational performance. It provides the theoretical linkage between the external performance system and individual behavior (Swanson & Holton, 2001; Torrace, 1998).

Cognitive psychology explains how people shape their experiences. It informs that individuals are not simply influenced by external factors but makes decisions about those influences and their meaning. It helps explaining how people learn and how they make sense of the organizational system (Swanson & Holton, 2001).

The whole theory of HRD has been proposed to be the integration of psychological, economic and, system theories within an ethical frame and is visually presented as three legged stool which together provide great stability to the discipline of HRD and field of practice in the midst of uneven and changing conditions (see Figure 3.4).

**Fig. 3.4: The Theoretical Foundations of Human Resource Development**

Further, given the demands and challenges of global economy and an unbridled free-market condition, the three legged stool visualizing the integral relationship between economic, psychological and systemic theories, have been put on an ethical rug (Swanson & Holton, 2001). Thus, the three theories are at the core of the HRD discipline, and ethics plays an important moderating role.
3.8 **Foundations of Human Resource Development**

HRD is in a state of becoming (Lee, 2001). The field has emerged with a distinctive tripartite agenda of human betterment, organizational enhancement and societal development (McGuire, 2011). Since its inception the academics have had gut feelings about what is central to HRD and what might be viewed as tangential (Roth, 2004 p:15). However, the basic underlying philosophy over which the whole concept of HRD is based may be explained from the following two perspectives:

3.8.1 **Performance perspective**

Some scholars describe and define HRD from the performance point of view. They keep performance central to it and consider all other elements as subsidiary. For instance, Gilly et al. (2002) defined HRD as “the development of knowledge, skills and competencies for the purpose of improving performance within an organization”. This emphasis on the importance of performance has resulted in a division among the scholars over definitive background of HRD. It has been underpinned by an economic perspective (Wang & McLean, 2007) that focuses on the role of human capital.

3.8.2 **Humanist perspective**

On the contrary the humanists are social as well as psychological in their approach. They view HRD as a phenomenon for enhancing personal growth and developing human potential. They explain that learning remains within the control of the individual and is the primary outcome of HRD while, improvement in performance follow as consequence of this learning.

3.8.3 **Reconciling the Performance and Humanist perspectives**

Arguably, the humanist perspective is more holistic although it does underestimate the extent to which short term pragmatism is embedded in business corporations (Beattie, 2006). Enriching the lives of employees may bring long-term gains but the vast majority of organizations are small and medium sized enterprises which are focused on the short term immediate outcomes and are concerned about basic skills. They often see training and development as a cost rather than an investment. While, Swanson and Holton (2001, p: 145) views learning and performance as partners in a formula for success and argue that learning and growth for the sole benefit of the individual and that never benefit the organization is not acceptable for organization sponsored HRD. Hence from a humanist learning remains subsidiary to performance. Moreover, in order to justify the resources invested in
HRD activities it is increasingly important to identify the benefits that accrue to the organizations particularly in terms of improved performance.

3.9 Purpose of Human Resource Development

HRD deals with people working in productive systems. It is all about enhancing the personnel growth and developing human potential so that the overall performance of organization is improved. HRD focuses on theory and practice relating to training and development and learning within organizations, both for individuals and in the context of business strategy and organizational competence formation (Gourlay, 2002, p: 99). The two core threads of HRD are; (a) Individual and organizational learning; (b) Individual and organizational performance (Rouna, 2000; Watkins & Marsick, 1996; Swanson, 1996). Some scholars particularly humanist in approach view learning and performance as alternatives or rivals, while others describe them as partners in a formula for success (Swanson & Holton 2001). Thus, HRD is looked at through the domains of learning and performance and in all cases the intent is improvement.

3.10 Human Resource Development Core beliefs

The practice of HRD is dominated by positive intentions for improving the expertise and performance of individuals, work groups, work processes and the overall organization. Most observers suggest that HRD evokes common sense, thinking and actions. Swanson and Holton (2001, p: 10) mentions the following set of HRD core beliefs:

1. Organizations are human-made entities that rely on human expertise to establish and achieve their goals.
2. Human expertise is developed and maximized through HRD processes and should be done for the mutual long-and/or short-term benefits of the sponsoring organizations and the individuals involved.
3. HRD professionals are advocates of individual/group, work process, and organizational integrity.

Human resource development (HRD) is an evolving, dynamic, ever-changing field. It is shaped by the global environment and the people and organization that
work within it. Gilly and Maycunich (2000, p: 79-89) have set forth a set of principles that guide the HRD. They are of the view that effective HRD practice;

- Integrates eclectic theoretical disciplines.
- Is based on satisfying stakeholder’s needs and expectations.
- Is responsive but responsible.
- Uses evaluation as a continuous improvements process.
- Is designed to improve organization effectiveness.
- Relies on relationship mapping to enhance operational efficiency.
- Is linked to the organization’s strategic business goals and objectives.
- Is based on partnerships.
- Is result oriented.
- Assumes credibility as essential.
- Utilizes strategic planning to help the organization integrate vision, mission, strategy, and practice.
- Relies on the analysis process to identify priorities.
- Is based on purposeful and meaningful measurement; and
- Promotes diversity and equity in the workplace.

An ideal HRD system should be based on the principal of overall development of employees and the organization as a whole. This development involves overall development of the workforce in all aspects; technical, physical, psychological, or moral development in a very systematic and organized manner. A sound HRD system ensures that employees identify their hidden potential and make them competent enough to exploit their talent in an optimum manner for the achievement of individual as well as organizational goals.

### 3.11 Objectives of Human Resource Development

HRD may also be visualized as a sub-system that functions within the larger host system for the purpose of advancing, supporting, harmonizing and at times leading the host system (Swanson & Holton, 2001). It aims at achieving organizational goals by aligning them with the goals of individuals working in an organization, and by enhancing their knowledge and skills through proper training and guidance (Tarab, 2012). The goals of HRD systems as described by Rao (1991) are to develop:
the capabilities of each employees as individuals;
the capabilities of each individual employee in relation to his/her present job;
the capabilities of each individual employee in relation to his/her expected future role;
the superior-subordinate (dyadic) relationship;
a cohesive and congenial atmosphere of working;
collaboration among different units of an organization;
to develop the constructive mind and overall personality of employees;
the organization’s overall health and self-renewing capabilities which in turn increase the organizational capabilities in a comprehensive manner;
to humanize the work in an organization; and,
to ensure better quality work, higher productivity and higher profits.

HRD is essentially a problem-defining and problem-solving method. The utmost thrust of its concern is performance improvement. This idea of improvement perhaps overarches almost all HRD definitions, models, and practices. As per the American Heritage Dictionary, (1993, p. 684) “To Improve” means “to rise to a more desirable or more excellent quality or condition; make better”. The improvement ideas of making positive change, developing excellent quality, attaining expertise, and making things better are central to HRD (Swanson & Holton).

3.12 Significance of Human Resource Development

The existing literature on HRM/HRD broadly provides for three different approaches or models (Kandula, S. R., 2001 p: 72) which include the hard and soft variants of HRM and the 5-P’s model. The first model i.e., the hard variant of HRM also called the matching model of HRM has been developed from Michigan and New York Schools (Chandler, 1962; Galbrith & Nathanson, 1978; Fombrun et al., 1984). This model propagates human resources to be obtained cheaply, used sparingly and developed and exploited as fully as possible. The second is Harvard Model or a soft variant of HRM, which was first propounded by Beer et al. (1984). This model of HRM comprises policies that promote mutuality in goals, influence, respect, rewards and responsibility. It emphasizes that policies of mutuality will elicit commitment, which in turn yield both better economic performance and greater human development (Guest, 1997). It stresses the human aspect of HRM and is more
concerned with the employer-employee relationship. The third is 5-P’s (human resources philosophy, policies, programmes, practices and processes) model of strategic HRM that reveals a new trend in which HRM is becoming an integral part of business strategy (Schuler & Jackson, 1987; Lengnick-Hall & Lengnick-Hall, 1988; Brewster & Larson, 1992; Schuler, 1992).

Companies have started recognizing the importance of people to the success of business. Human resource issues are treated as business related issues as they influence the essence of business- profitability, survival, competitiveness, adaptability and flexibility. The following sections are devoted to describe the significance of HRD with respect to sustainability of competitive advantage, business strategy, organizational life cycle and performance.

3.12.1 Sustainable Competitive advantage and Human Resource Development

The origin of competitive advantage lies in possessing, acquiring and utilizing internal resources in getting the firm ahead of its competitors (Khatri, 2000). Competitive advantage is a phenomenon that can be achieved or can arise due to some resource heterogeneity. Resources are anything that could be thought of as a strength or weakness of a given firm, which include tangible and intangible assets (Wernerfelt, 1984) or skills, organizational routines and processes (Barney, 1991). The RBV identifies four required characteristics for resources to produce sustained advantage- value, rareness, imperfectly imitable and imperfectly substitutable (Barney, 1991) and human resources inherits all these characteristics necessary to achieve sustainable competitive advantage: human resource is valuable, rare, and imperfectly imitable and has no substitutes. It may be easy for your competitor to imitate competitive advantage gained through technology or product but it is always hard to duplicate competitive advantage achieved via competitive human capital. Consequently, for a firm to achieve competitive advantage through people, it is required to have people rare with their skills and knowledge, and less imitable (i.e. are able to do things in a manner in which people in competitors firm cannot do). The difficulty in duplicating people’s knowledge, abilities, experience and behaviors make them imperfectly imitable. Moreover, people are a resource difficult to replace because not everybody has the same capacity to adept to the different environments and technologies, and those who are able to create value in one context may be unable to do so in others (Wright et al., 1994).
Competitive strategy based on human resources is difficult to imitate. The adoption of sophisticated human resource practices policies is seen as one of the major key to competitive advantage in modern world. A few major groupings of human resource policies and practices that are germane to competitive advantage are Culture, Organizational structure, Performance management, Resourcing, Communications and Corporate responsibilities (Sparrow et al., 1994).

Achieving competitive success through people involve fundamentally altering how we think about the workforce and the employment relationship. It means achieving success by working with people, not by replacing them, or by limiting the scope of their activities. It entails seeing the workforce as a source of strategic advantage, not just as a cost to be minimized or avoided (Pfeffer, 1984).

3.12.2 Business Strategy and Human Resource Development

The existing literature on linkage between business strategy and HRM may be classified into three dominant models: (i) a reactive model of HRM, in which strategy drives human resource policy, (ii) a proactive model, in which human resources planning is involved in the strategy formulation stage itself, and (iii) a match model which prescribes simultaneous action for design and implementation of business strategy and HR strategy (Kandula, S. R., 2001 p: 75). A summary of major studies/views/ reflections of various researchers and authors focusing on this linkage is given in Table below:

<table>
<thead>
<tr>
<th>Author(s)/Researcher(s)</th>
<th>Views/Reflections/Research findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvey (1983); Leontiades (1982); Migliore (1982); Sweet (1982); Gerstein and Reistman (1983)</td>
<td>Described human resources strategy as developing a match between certain strategic or organizational conditions and certain specified aspects of human resource processes or skills.</td>
</tr>
<tr>
<td>Tichy et al. (1982); Ackerman (1986); Miller (1989)</td>
<td>There is a widespread belief that HRM is the dependent variable and the business strategy the independent variable in this relationship. The view is that HRM should in some sense follow business strategy.</td>
</tr>
<tr>
<td>Miles and Snow (1984)</td>
<td>Human resources practices and part of the systems and processes that are expected to be consistent with</td>
</tr>
</tbody>
</table>
strategy. Presumably, HR policies influence employee behavior. If different employee behaviors are required to implement different strategies, then HR policies should systematically vary with organizational strategy.

Linkow (1985)  The HRD department has a two-fold role to play in strategy development. It should be involved in formulating corporate strategy; then it should develop its own, consistent with the strategy of the organization.

Beer et al. (1985); Hendry and Pettigrew (1986); Miller (1987)  Approaching HRM from a business strategy perspective, they argue that HRM will be effective only when human resource strategy is integrated with business strategy.

Carroll (1987)  Compensation systems were designed to fit business strategies.

Buller (1988)  Organizations are realizing that the success of their long-range planning and strategic approaches rests on corresponding analysis and planning by human resources.

Beatty and Schneier (1988)  Performance management systems were designed to help managers assess and manage strategic performance.

Lengnick-Hall and Lengnick-Hall (1988)  Found the links between human resources policies as a whole with an organization stay in the product life cycles.


Kelly (1989)  Business strategy would give direction to HR activities, and HR issues, internal and external, would be considered in the business planning process.


Niehaus and Price (1991)  To remain competitive in a constantly changing environment, many organizations are making human resources a significant part of their long range business and strategic planning.

Armstrong and Murlis (1991)  Reward management strategies and policies are driven by strategic changes occurring inside the organization.

Hendry and Pettigrew (1992)  The upshot is that matching is not the issue. Rather, it is a question of being aware of the opportunities and constraint afforded for the development of HRM that emerge out of complex patterns of strategic and
structural change.

**Beaumont (1993)**
The central aspect in the human resource management literature is of a strategic focus. The need for (i) human resource policies and practices to be consistent with overall business strategy and (ii) the need for individual components of a human resource management package to reinforce each other while the individual components of the package should primarily emphasize teamwork, flexibility, employee involvement and organizational commitment.

**Costa (1993)**
Human resources practices contribute to strategy development and implementation.

**Waterman (1994)**
Provided an important insight on the connection between strategy and effective management of people’ he says people are the strategy.

**Peck (1994)**
Found relationship between organization strategy and HR. He also concluded that strategy/HR links are stronger in effective organizations than ineffective ones.

Provided that subsidiaries with a business strategy/HRM strategy match were more likely to experience better business performance verses competitors that were unmatched.

**Huang, T. C. (2001)**
Study contended that different business and HRM strategy combinations have different effects on organizational performance.

Found direct and positive relationship between firm’s business and HRM strategies. The study confirmed that when the HRM strategy and business strategy were aligned, the effectiveness of HR practices and organizational performance were better than that of not aligned by contingency approach.


### 3.12.3 Human Resource Development and Life Cycle of Organization

Baird and Mesholaum (1992) contended that organizations undergo five stages of development and every stage demands different human resource management needs. A single programme or approach does not hold well everytime. The successful organizations are those that are able to match organizational needs with individual needs, thus achieving organizational growth along with individual development, commitment, creativity and so on (Schein, 1986). The main advantage of viewing
HRM in terms of developmental stages is that it provides a way of understanding what an organization will need in the future. Schein (1986) propounded a model aligning strategic human resource development with life cycle stage of an organization as given in table below:

Table 3.4: Life cycle stage, Culture/Strategy and Implications for HRD activities

<table>
<thead>
<tr>
<th>Life Cycle Stage</th>
<th>Key Culture/Strategic Feature</th>
<th>Implications for Strategic HRD</th>
</tr>
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<tbody>
<tr>
<td>Embryonic</td>
<td>• High levels of cohesion</td>
<td>• Owner may not perceive need for HRD</td>
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<tr>
<td></td>
<td>• Dominant role of founder</td>
<td>• Limited management expertise and succession problems</td>
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<td></td>
<td>• Outside help not valued</td>
<td>• Changes may be unplanned/ad hoc</td>
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<tr>
<td></td>
<td>• Lack of procedures and planning systems</td>
<td>• HRD may have to market its services aggressively</td>
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<tr>
<td></td>
<td>• Politics play an important role</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>• Large variety of culture changes</td>
<td>• Initiation of career development activities</td>
</tr>
<tr>
<td></td>
<td>• Levels of cohesion decline</td>
<td>• Inducting new recruits</td>
</tr>
<tr>
<td></td>
<td>• Emergence of middle management</td>
<td>• Management development activities</td>
</tr>
<tr>
<td></td>
<td>• Tensions/conflicts may arise in organizations</td>
<td>• Development of high performing teams</td>
</tr>
<tr>
<td></td>
<td>• Need to get people to accept new ways of thinking</td>
<td>• Involvement in the management of change</td>
</tr>
<tr>
<td></td>
<td>• Diversification of business activities</td>
<td>• Reinforcement and maintenance of cultural value and beliefs</td>
</tr>
<tr>
<td></td>
<td>• Line/Staff differences</td>
<td>• Dealing with ambiguity and uncertainty</td>
</tr>
<tr>
<td>Maturity</td>
<td>• Institutionalization of values and beliefs</td>
<td>• HRD function should be well established</td>
</tr>
<tr>
<td></td>
<td>• Evolutionary rather than revolutionary changes</td>
<td>• Maintenance of HRD activities may be more appropriate</td>
</tr>
<tr>
<td></td>
<td>• Inertia may emerge in organization</td>
<td>• Lack of career opportunities may require novel HRD approaches</td>
</tr>
<tr>
<td>Decline</td>
<td>• Culture may act as a defence against a hostile</td>
<td>• Management of change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reassure employees that</td>
</tr>
</tbody>
</table>
environment
- Major decisions may have to be taken
- Readjustment necessary

problems are being tackled
- Organizing problem-centered activities


The absence of a clear HRD strategy at any life cycle stage of an organization may thus adversely impact the organizational effectiveness. This may occur because of the lack of attention to crucial HR issues, or through wasted effort on poorly implemented HRM within the organization.

3.13 Critics attached with Human Resource Development

Since the field of HRD is still a young field (Lee, 2001) and is yet to have a strong definitive and theoretical foundation (McLean & McLean, 2001), it accommodates some criticism too. However, to look at the criticism positively, it can be argued that it is through valid critique and constructive argument that the foundations of any field are solidified and more widely accepted. The under-developed empirical and theoretical base of HRD and its relationship with HRM is the focus of criticisms related to the very nature of the field (McGuire & Jorgenson, 2011). One of the key drawbacks inhabiting the growth of HRD as a field of research and practice is the willingness to engage in esoteric argument and debate over theoretical concepts (Stewart, 2007). Lowyck (1995) pointed out two major weaknesses in HRD research which include; firstly, a lack of rigor in exhibited in carefully building a coherent cycle of empirical research in HRD and secondly, he opines that HRD research jumps clumsily from descriptive studies to prescription. A broader criticism of HRD which appraises the poor development of the field is forwarded by Vince (2003, p: 560) who states; HRD has been weak strategically, placing the emphasis on individuals to learn and change, and largely ignoring the wider politics of organizing in which HRD exists and can have an impact. The author argues that there are a number of organizations whose approach requires staff members to learn mechanistically, but only a few models of development (the top three being; the training cycle; Krikpatricks’s evaluation ladder and Kollb’s learning cycle) that are used.
The other major concern creating space for discussion is the relationship of HRD with HRM. There is a growing consensus regarding the separate and distinct identity of HRD. As per Mankin (2009) HRD roles are often subsumed within the HRM or personnel department where the individuals involved often had very little background or training in HRD. The author further argued that while both concepts have their own identities, they depend upon each other for mutual success and the maximization of human resource potential within organization. However, Friedman (2005) very eloquently put it, ‘there is no money in vanilla’ – meaning thereby that standardized products are so easy to replicate that they will no longer form a viable business model. The challenge thus, for HRD is to find ways to promote creativity thinking and risk-taking amongst employees as well as fostering individual autonomy and self-management and development.

3.14 Future perspective of Human Resource Development

The future is uncertain and contains uncountable number of challenges. It cannot be known but it must not be ignored. Understanding trends and indicators emerging today help us to productively think about potential future developments and positions so as to constructively shape them. Ruona, et al., (2003) conducted a survey of 55 human resource development related practitioners and academicians to identify trends, variables and challenges that they believe are affecting or will affect the HRD profession in the times to come. The few important driving forces that emerged from the survey include the following:

❖ Will the profession of HRD keep up?

The receptiveness and the ability to adjust to changing conditions in organizations is one of the primary concerns about the future of the profession of HRD. HRD is criticized for not changing with organizational and global demands and certainly for not being at the fore-front and taking leadership roles in organizational responses to changing trends. Although a few HRD practitioners and academicians did applaud HRD’s fast maturation and for how it has grown so quickly, most worried about losing that spirit in the future.
Globalization continues to emerge as a primary trend affecting organizations and thus HRD. The various issues having an influence on HRD in this context include; crossing boundaries of time, space, geography, and culture, economic issues, culture clash, working virtually, coping with increased bureaucracy, and exploitation issues arising out of countries with fewer legal restrictions. The field of HRD is thus required to better understand and integrate intercultural practices into global organization.

Changing organizations and workforce.
Organizations now-a-days are consistently characterized by respondents as global, technological, highly flexible, and under great demands to change. Many HRD experts are concerned about the shifting workforce demographics as a key force driving change in HRD. This increasing workforce diversity is characterized by an aging baby-boomer generation, more generations present in the workplace, Second and Third World countries joining with First World countries’ organizations, and varied knowledge/skill levels.

Technology.
Technology has also been identified as one of the forces that will continue to fundamentally shape organizations. Many HRD practitioners and academics discussed the impact of technology on learning practices such as e-learning and virtual offices. They wondered if HRD would harness and explode the potential of technology, while also effectively integrating it with the premises of well-verified learning theories.

The future of HRD depends to a great extent to which the value it brings to organizations can be confidently measured. Bing et al. (2003) opined that HRD’s sphere of interest and intended impact has been expanded from the individual level to also include team and organizational levels and has moved from a focus on the performance of tasks to encompass the effectiveness of process and systems. Such changes have happened at a time when organizations increasingly seek link between learning and performance and view knowledge and learning as key differentiators between themselves and competitors. Thus, the authors believe that linking learning and human process to performance and measuring learning, human process and the resulting change in performance that helps an organization meet its goals are crucial challenges to the field.
The field of human resource development is still in a stage of transition and in conjunction with the increasingly competitive business environment. As companies merge, downsize, globalize, and increase technology, HRD professionals must continue to update and modernize organizational functions, while maximizing individual competencies. The HRD is becoming a more strategic within the organizations. It thus, should involve effective processes, teamwork and support from all levels of the organization, integrating HRD into the business environment and culture as never before.

3.15 Roles for HR professionals

The fields of HRM and HRD have changed drastically in the recent past. The HR concepts, systems and practices of today are significantly different from the past. HR professional of tomorrow would need the competencies to provide organizations with a strategic competitive advantage. They must develop and demonstrate a new set of competencies to fulfill their changing role and responsibilities (Yeung et al., 1996). HR leaders are required to take on four key roles; strategic partners, change agents, administrative experts and employee champion (Friedman, 2007; Ulrich, Younger & Brockback, 2012). As a strategic business partner, HR managers are expected to align the HR plans with the strategic business plans and work with line managers to identify the key HR practices which will help in achieving organizational objectives. As change agent, HR professionals are required to help employees to take change positively and become resistant to change. Similarly as an administrative expert, the role of HR manager is to deliver efficient processes (e.g., recruitment, selection, training, compensation, benefits, workforce planning and performance management) that utilize new technology and improved method. A sound knowledge of the field of HRM, coupled with technical knowledge allows HR manager to identify opportunities that add value (Friedman, 2007). Finally as employee champion the HR professional’s role is to maximize employee contribution and commitment in two ways. First, HR managers listen and respond to employee needs with available resources. Employee concerns vary from day to day issues (e.g., issues with co-workers and supervisors, motivation, discipline), long-term issues (e.g., career development), and legal compliance (e.g., alleged discrimination) (Friedman, 2007). Beyond this, (Ulrich et al., 2012) on the basis of their research have identified six domains of competencies
(as shown in fig. 3.5) that HR professionals must demonstrate to be personally effective and to have an impact on business performance. These competencies are briefly described as under:

**Change Champion.** The social, political, economical, technological, demographical, national and international environment does not remain static over a period of time. Changes tend to occur. As a change champion HR professionals delivers a renewed organization that is much competitive. They must help managers develop and communicate clear visions of the future, develop procedures that motivate and reward behavior consistent with goal achievement, and overcome employee resistance to change (Friedman, 2007). The slogan for today is ‘perform or perish’. The role of HR managers is to help employees to acquire new ways or skills for doing a job so to contribute to the organizational result in new ways. HR professionals make an organization’s internal capacity for change match or lead the external pace of change.

**Strategic positioner.** Because of being well acquainted with the external trends and business conditions (i.e. social, technological, economical, political, environmental and demographical trends) that affect the industry and geography, HR professionals are able to translate them into internal decisions and actions. HR professional should be able to analyze and evaluate the external environment and should know the specific expectations of customers, investors, regulators and communities, then building internal HR responses that align with these external requirements.

**Capability Builder.** Capability represents what the organization is good at and known for. An effective HR professional melds individual abilities into an
effective and strong organization capability. Capabilities include; customer service, speed, quality, efficiency, innovation and collaboration or any other variable with which an organization is identified or differentiated from others. HR professionals should facilitate capability audits to determine the identity of their organizations.

- **Innovator and integrator.** Effective HR professional should be well aware of the present and historical research on human resource so as to innovate and integrate HR practice into unified solutions to solve future business problems. They should be able to innovate and integrate the latest insights on key HR practice area related to human capital (Talent sourcing, Talent development) to performance accountability (appraisal, reward), organization design (teamwork, organization, development) and communication.

- **Technology proponent.** With the advent of new technology, there has been a considerable change in the ways the HR professional think and do their administrative and strategic work. Technology acts as a vital source for improving communication, organizing administrative work more efficiently and connecting inside employees to outsiders. More HR professionals use technology to deliver more efficiently various HR administrative systems such as benefits, payroll processing, healthcare costs and other administrative services. As technology proponent HR professional have to access, advocate, analyze and align technology for information, efficiency and relationship.

- **Credible Activist.** HR professionals are credible activists because they build their personal trust through business acumen. Credibility is seen as a mark of reliability and trust. It helps HR professionals have positive personal relationships. As an activist, HR professionals have a point of view not only about HR activities, but about business demands. As a credible activist, HR professional is able to influence others in a positive way through clear, consistent and high-impact communication. To be credible activists, HR professionals need to be self-aware and committed to building their profession.
3.16. Chapter Summary

To summarize, this section of the thesis explores human resource development (HRD) as a distinct body of knowledge and field of study. The chapter starts with an introduction to the field of human resource development at different levels and proceeds with the discussion on the definitive base of the subject concerned. HRD borrows its concepts from various allied fields like economics, system, and psychology. This chapter deliberates upon the theoretical background and brings into light the various underlying theories forming the foundations of the field of human resource development. The chapter further describes the various core beliefs and principals of HRD. It also ponders some light on the objectives and significance of the field of HRD. Finally, the various critics attached with the field and the future perspective of HRD has also been highlighted in this chapter.