Chapter-III

ORIGIN AND CONCEPTUAL FRAMEWORK OF HRD
3.1 INTRODUCTION

It was 25 years ago that our country witnessed the emergence of a new HRD culture in our country with Prof. Udai Pareek and Prof. T.V. Rao heading the movement. HRD started as a "Review Exercise of the Performance Appraisal System" for Larson and Toubro by two consultants, Prof. Udai Pareek and Prof. T.V. Rao from the Indian Institute of Management, Ahmedabad (IIMA), resulted in the development of a new function - The HRD Function. In the early seventies this company in association with IIMA reviewed all aspects of its operations. In 1974, the consultants studied the organisation and prepared a new integrated system called Human Resource Development System (HRDS). This was probably the first of its kind in India. The new system clearly established the linkages among the various personnel related aspects such as performance appraisal, employee counselling, potential appraisal training, etc. Prof. Pareek and Prof. Rao developed a new approach to the top management with lot of new ideas which was accepted by the decision-makers of leading companies.

The Company wanted the assistance of these consultants at the time of implementation, as it was not sure that enough expertise was available on the human process within the organisation. The consultants, however, felt that Larson and Toubro Managers had enough competence and insisted that an internal team undertake this task. Thus, the work was undertaken by an
internal team with the help of the consultants and this was very much satisfying.

Based on the recommendations of the approach, a very high level role was created at the Board level to give a greater thrust to the new system. A separate HRD Department was created. A high level internal team headed by a General Manager, monitored the progress of implementation of the new system initially, which was subsequently handed over to the HRD Department.

The HRD system has since then been reviewed from time to time and improvements made, retaining the basic philosophy. The original consultancy reports of Udai Pareek and T.V.Rao have sowed the seeds for this new function and new profession. This pioneering work of Rao and Pareek leads later to the establishment of HRD Departments in the State Bank of India and its Associates, and Bharat Earth Movers Limited in Bangalore in 1976 and 1978.

The first HRD workshop to discuss HRD concepts and issues was held at IIMA in 1979. Several chapters of the book which were later published by Oxford and IBH as "Designing and Managing Human Resource Systems" were distributed in this workshop. This workshop was the beginning of spreading the HRD message.

In subsequent years beginning 1980 a series of workshops were held to develop HRD facilitators, both at IIMA and in the Indian Society for Applied Behavioural Sciences (ISABS). IIMA workshops focused in the conceptual parts and ISABS on experimental part. As HRD started growing Larsen and Toubro instituted a HRD Chair Professorship at XLRI, Jamshedpur. T.V.Rao
moved to XLRI as Larson and Toubro Professor in 1983 to set up the centre for HRD. Subsequently, a National Seminar was organised in Bombay during February 1985 jointly by XLRI Centre for HRD and the HRD Department of Larsen and Toubro. The National HRD Network was conceived during this seminar. The first HRD Newsletter was started consequent to this seminar by the Centre for HRD for XLRI and was sponsored by Larson and Toubro. The National HRD Network took shape and became a large body with about 20 chapters in the subsequent five year period.

The National HRD Network was nurtured by IIMA and XLRI on the one hand and by the corporate sector on the other. The National HRD Network later gave birth to the Academy of Human Resources Development. This is the first family tree of the HRD in India.

3.1.1 HRD Department

Perhaps, India is the first country which formally established a totally dedicated HRD (Human Resources Development) Department separated from the Personnel Department. This was designed in the year 1974 when the term HRD itself was not very popular in the USA. Two consultants from the Indian Institute of Management, Ahmedabad after reviewing the effectiveness of the performance appraisal system and training in Larsen and Toubro recommended an Integrated HR System to be established. This department dealt with development issues be separated out from the personnel department and be called the HRD department. Thus the first HRD department was established. It was followed in the banking sector by the State Bank of India and its Associates to start a series of new HRD departments.
By late seventies, the concept of HRD and the need for having separate HRD departments picked up momentum. In Pareek and Rao's model of HRD department, the objective of this department was to facilitate learning and change in the organisations. This department was supposed to have learning specialists who facilitated change process. In their model, Organisational Development (OD) was conceived as one of the main tasks of the HRD department. Thus an attempt was made to institutionalize OD through HRD departments. As the departments picked up momentum a lot of OD work had begun to be done through the HRD departments. Infact most change interventions have been made by the HRD departments (as differentiated from the Personnel departments). The HRD managers in India do undertake a number of interventions which may be classified as OD interventions.

The nature of interventions undertaken by the HRD departments includes cultural change through new performance management systems, TQM based interventions, Survey feedback, Role clarity and Role negotiation exercises, Training, Career planning and Succession exercise, Assessment centers and Promotion policies, Visioning and value clarification exercises, Performance coaching workshops and Team building interventions

A great deal of work has been done in India regarding the use of HRD audit as an OD intervention and is a unique feature of Indian organisations. The senior author's experience in initiating OD with the aid of HRD audit has shown the following results. The audit in several organisations resulted in establishing several organisational systems and processes such as potential and performance appraisal, career planning, training, mentoring, formulation
of clear cut policies including promotion policy, communication policy, reward and recognition policy, helped in developing trust, collaboration, teamwork, got human orientation and injected into the business process with opportunities for growth and development provided to all employees, more role clarity and direction to the employees in terms of their work leading to higher level of role efficacy.

The above consequences indicated that HRD audit was cost effective and could give many insights into a company's growth. While various methods like individual and group interviews, workshop, questionnaires and observation could be used as tools, the success of the audit as an intervention depends on the efficiency of implementation in the post-audit phase.

A study of HRD concepts examined the current status of structuring of the HRD function and HRD subsystems in India against locally evolved "Integrated HRD Systems" framework by Pareek and Rao. Data from HRD audits of eight Indian organisations indicated that HRD function is not well structured, inadequately differentiated, poorly staffed and fails to meet the requirements of this framework. The present study points out the pre-requisites for success of other HRD frameworks in India.

Since then, in the last 33 years most organisations have started new HR departments or redesignated their personnel and other departments as HRD departments. Today, there are high expectations from HRD. Good HRD requires well structured function and appropriately identified HRD systems, and competent staff to implement and facilitate the change process.
3.1.2 Practice of HRD

Pareek and Rao (1977) in their second report of the human resources system in Larson and Toubro recommended that the personnel function be viewed as Human Resources Function (HRF) and suggested a trifurcated function - Personnel Administration, HRD and Worker Affairs. Adding organisation development was also to the HRD function. Since OD is being added now, it is necessary to strengthen that part of HRD. Therefore, the company might be appointed a Manager OD with two officers to do a lot of research work which would soon start.

The consultants differentiated the HRD from other components of HRF and also integrated structurally and system-wise. Structurally, the HRF was designed as a subsystem of HRD and integration of this with the other two subsystems viz., Personnel Administration and Worker Affairs were done by the Director level person (for example Vice-President Personnel and HRD), through task forces and sub-system linkages. Inter system linkages were outlined between various HRD subsystems to have an integrated system. Pareek and Rao also outlined a philosophy for the new HR system. They outlined fourteen principles to be kept in mind while designing the HRD System. These principles dealt with both the purpose of HRD systems and the process of their implementation.

Some of these principles include (i) HRD systems should help the company to increase enabling capabilities. The capabilities outlined in their report including development of human resources in all aspects, organisational health, improvements in problem solving capabilities, diagnostic skills, capabilities to support all the other systems in the company,
etc. (ii) HRD systems should help individuals to recognize their potential and help them to contribute their best towards the various organisational roles they are willing to perform; (iii) HRD systems should help to maximize individual autonomy through increased responsibility; (iv) HRD systems should facilitate decentralization through delegation and shared responsibility; (v) HRD systems should facilitate participative decision making; (vi) HRD system should attempt to balance the current organisational culture with changing culture; and there should be a continuous review and renewal of the function.

3.1.3 Structure of the HRD function

The structure of HRD function in the eight organisations has been briefly described below:

i) Venture Finance Company (VFC): VFC is a professionally managed venture finance company, which enjoys both national and international patronage. It has provided managerial and financial support to over 45 companies. The total manpower currently is 34 out of which 26 are managerial cadre and the remaining are clerical support staff. This is the smallest of the organisations studied. VFC does not have a separate department for HRD. Currently there is one executive who looks after HRD and one Deputy Manager Personnel and administrative matters.

ii) Consumer Products Company (CPC): This Company deals with the consumer products. Talent recruitment, retention and excitement are the focus in HR. Company aims at fully establishing itself as an FMCG company. E-commerce, E-initiatives, diversification are some future possible areas of work. Total number of employees is about 800. Corporate personnel are
headed by a President- HR (who also looks after an SBU besides all HR activities). There are 3 Deputy General managers (personnel administration, TQM, and health services), 1 manager estates, recruitment, and other HR issues, 1 civil manager, 2 assistant managers (payroll and training and performance management), 1 executive (recruitment, 360° feedback and other matters), 1 senior officer (secretary to President and compensation manager) and 1 officer (administrative support in training, resignations, exit interviews, transfer etc). The Human Resources Function in this company is highly differentiated. The President- HR integrates it at the top level. There is no strong departmentation but specialization at individual level and a high degree of flexibility. The Managers in-charge of appraisals and training devote their full attention to these functions. OD, Career planning, Potential appraisal are not focused at present. TQM and Feedback and Counselling are well integrated into the other systems.

iii) Multinational Electronics Manufacturing Company (MEMC): MEMC is a world's leading supplier of electrical and electronic connectors and inter-connection systems. Headquartered in the USA, MEMC has about 46,000 employees all over the world. It is a world-class technology leader and is frequently named as one of the top 50 patent-holding corporations in the world. Total numbers of employees in this company at the time of the study were about 600. The HR department had 6 employees, 1 Manager, 1 Asst. Manager, 1 Senior Executive, 1 Officer, 1 Junior Officer, and 1 receptionist. The Head of HR integrates HRD function with the other HR systems. While there are no separate departments, there are individual's in-charge of different HR systems.
iv) Tyre Manufacturing Company (TMC): This TMC's market share is considered to be one of the top in the tyre industries in India. Total number of employees in one of its plant studied is about 1400. The HR department has 21 employees, who look after personnel, safety, time, office, welfare etc. There is no HRD department separately. It is not a differentiated function. After the HRD audit the company decided to establish a separate HRD unit and integrate it with the personnel function at the plant level. At the top level in the corporate office there is a high concern for competence building to meet changing needs of the industry.

v) Indian Multinational Company (IMC): This Company is owned by an Indian Business House and is located in another country. It is a manufacturing unit and employs a few Indians. It is the best rated company in the country where it is located in Mumbai. It is the first to get ISO - 14001 and QS-9000 accreditation. 85% of its products are exported to about 30 countries (like UK, France, Spain, Italy, Israel, etc) and most of its customers across the world consider it to be highly quality conscious and customer driven. It plans to double its production in the next five years. It intends to do so with an addition of less than 20% to its manpower. It had about 300 local employees and about 40 Indian Managers. The HR department had a total of 31 staff of which there is 1 Deputy General Manager heading the functions; 3 officers are looking after training, personnel matters and safety. Of the remaining 9 are drivers, 2 receptionists, 4 safety technicians, 2 agricultural engineers; 1 nurse and other miscellaneous staff.
vi) Automobile Manufacturing Company (AMC): This Company envisions itself to be a world class organisation in the next few years. Competition is on increase with the entry of multinationals and Joint ventures. Total numbers of staff at managerial levels were over 1,700 technical and non-technical personnel. HRD staff consisted of 16 members. 6 had an engineering background, which gave them a technical advantage in the business of the company. Of them only two looked after Training and development and the rest looked after other HR functions including recruitment, induction etc.

vii) Cement Manufacturing Units (CMUs): CMU -1 has a total of 154 staff and officers and 130 workmen. Of the 154 staff 27 are in Senior Managerial Cadre, 69 are Supervisors and Officers and 58 are Assistants. 77 of the 130 workers are skilled. A Deputy General Manager Personnel and HRD who integrates both the functions manage the HR function. A manager and an officer assist him. CMU-2 is a market leader and is expected to be the largest single location manufacturing plant when its plans are achieved. The plant had employee strength of 450 workmen and 782 Officers which includes officers of marketing and finance. There were 10 members in Personnel and HR department and 17 in welfare department.

3.1.4 Structuring of HRD

The above description of the HR function indicates that the HR departments in Indian organisations (including one multinational located in India and one Indian company located in another country) do not have well differentiated structures appropriate for HRD. They have well differentiated roles in Personnel but not in HRD. When it comes to HRD it seems that they
structure the role in such a way that it is even mixed up with other personnel functions. As the structures are mixed and convenience based, the HRD activities also get mixed attention and are often convenience based. As a result, various sub-systems of HRD do not get the attention they deserve.

Following the structuring suggestions by Pareek and Rao there should be separate functionaries available for handling Performance appraisal, Feedback and Counseling, Potential appraisal and Development, OD, Training and Career planning and development. The HRD function is also very inadequately represented. On an average while there is one personnel staff to look after the personnel management needs of every 100 employees. There is less than one full time person to look after the HRD needs of every 1,000 employees. This can be considered as very inadequate. Even those who are not well qualified in terms of learning methodology, human development and such other technical skills required to handle the competency building, commitment building and culture building functions of HRD.

It showed that the HRD function in India is not appropriately structured in the country where the World's first dedicated HRD department was started. The structures do not follow the principles envisaged by Pareek and Rao and are not differentiated as outlined by them. Indian organisations seem to have played only lip sympathy to HRD. More than 50% of the organisations do not even have a full time dedicated HRD facilitator. Where there is one that he is loaded with recruitment, salary administration and such other roles which are not development roles.

Most organisations seem to have well developed performance management systems or in the process of having the same. The performance
management systems of all these organisations seem to be development orientation. This is more in that organisation where there is separate HRD department or there is high emphasis on HRD.

Feedback and Counseling is the second system most seem to follow. However this is integrated into the performance appraisal and hence diluted. The Feedback and review discussions are conducted more as a formality than with a high development orientation.

There is no potential appraisal as a separate system in any of these companies. It is there as a part of the performance appraisal in a few of these. Only one of the organisations is planning to use assessment centres. 360 degree feedback is being tried out in six of the eight organisations either as part of corporate initiative or on their own initiative.

Employee satisfaction surveys, TQM interventions, total productivity management, Team Building workshops, Visioning exercises, Train the trainer programs are some of the OD interventions being used by these organisations. However there is very little of in-house competencies in OD. OD interventions are largely outsourced. HRD departments are not yet being developed as internal change agents or OD facilitators.

Training and development is well developed and well managed in these organisations. Internal faculty has been developed in most of these organisations. Those organisations are covered under ISO certification programs have given a systematic and high emphasis to training and development activities. They are still to graduate from Training and Development orientation to create of a learning environment. Extent to which
elements of Pareek and Rao’s integrated systems approach is followed in implementing HRD

**TABLE NO. 3.1.1**

**PAREEK AND RAO’S INTEGRATED SYSTEMS APPROACH**

<table>
<thead>
<tr>
<th>Elements</th>
<th>Extent to which followed</th>
</tr>
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<tbody>
<tr>
<td>1. A differentiated structure with separate HRD Department and full-time staff.</td>
<td>1. None of the organisation has differentiated HRD structures. Less than 50% have full time HR staff</td>
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<tr>
<td>2. Six subsystems of HRD</td>
<td>2. Only two or three are implemented well. Potential appraisal, career planning and OD are weak.</td>
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<tr>
<td>3. Interlinkages between subsystems</td>
<td>3. Only performance appraisal is linked to training and full potential of performance appraisal is not used.</td>
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<tr>
<td>4. Designed with 14 principles in focus</td>
<td>4. The principles are not used though occasionally some components figure out in terms of value</td>
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<tr>
<td>5. Linked to other systems of HRF</td>
<td>5. This is done by default as HRD doesn’t have a separate identity.</td>
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Source: Integrated HRD System by Pareek and Rao T.V.

It is clear from the above table that 33 years after the integrated HRD systems approach was made available in India, there is very poor implementation of the same. The approach is very simple, and locally evolved with the help of Indian managers. It is not well implemented in the experience of the researchers due to (a) lack of understanding, and appreciation of the top management on the significance of HRD and its linkages to business, (b) lack of competent HRD staff, (c) lack of professional preparation of HRD staff, and (d) inadequate understanding HRD conceptualizations and frameworks.

The recent HRD frameworks are conceptually heavier, culturally not very sensitive to Asian cultures and are more sophisticated in terms of larger number of variables they cover and linkages needed. The use of these frameworks and models to Asian organisations is doubtful unless implementation problems like the above mentioned are taken care of.
3.2 CONCEPTUAL FRAMEWORK OF HRD

Human Resource Development is a strategic approach to invest in human capital. It draws on other human resource processes, including renouncing and performance assessment to identify actual and potential talent. With the advent of Liberalisation, Privatization and Globalization of Indian economy, there is a tremendous pressure for change in Indian industrial workforce. These changes have enabled the global companies to develop their workforce which are available to world-wide knowledgeable employees. In the 21st century, an environment has been created that almost compels Indian Industries to rethink their vision and mission about HRD processes, practices and perspectives. These industries have got awareness for developing their human resources to face the competition and march towards prosperity and growth. The current trends of HRD in India would like to be dynamic and action oriented. This can make them by paying adequate attention to their human resources.

Human Resource Development (HRD), a recent technology in management has been whirling around the business world for sometime. Intellectual intercourse has given this concept a passage to Indian organisations. Till its entry, management experts and consultants have been interpreting this concept according to their own perceptions. Following their valued advice and guidance, many organisations have, renamed the Personnel Department as HRD Department without changing the former structure and functions.

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The recognition of human being as a resource has been realized since time immemorial. Particularly during the last two decades, it has become a challenging task to every management not only to maintain a content and productive work force but also to translate the workers expectations' of meaningful situation into realities. Hence, it is needless to say that people in an organisation play a very crucial role. Henry Ford - the pioneer among management specialists, once said, "Take out my buildings, take out my machines and all capital but leave my men with me, I will become Henry Ford again". 80 Sheldon Oliver had also felt the same way. He rightly pointed out that "No industry can be rendered efficient so long as the basic fact remains unrecognized that it is principally human, it is not a mass of machines and technical processes but' a body of men". 81  Thus, if one aims at a total organisational effectiveness, one has to seriously think in terms of those human interventions which make people effective in any organisation. Hence, emerges the need for HRD, "whose aim is not to create Goodman or Superman, but develop persons as happy, fulfilled, sensitive, generous, authentic and caring, individuals, well adjusted to the stress and strains and demand of the organisation". 82

The late Prime Minister Pandit Nehru, at the beginning of India's planning era, exhorted the nation with a call of which echo was heard for a long time to "produce or perish". The clarion call to the people showed his anxiety about the vast progress to be made by India if it was to catch up with

81 Sheldon Oliver., "Philosophy of Management", p.27. 1993  
the modern world. 'Productivity as a philosophical concept lies at the core of human progress'.

Management, defined as the art of getting the activities of a group of people towards the achievement of a common goal, is the science of decision making and leadership. The term "management" has been interpreted as "management-t" wherein 't' stands for "tactfully" and here the term means "manage men tactfully. The 'tact' appears to be necessary because management does not have power and authority to perform determinative function or functions regarding formulation of organisational policy and fixation of its goal, which is the privilege of administration. From this view point, of all sectors of management resources, such as materials, finance, marketing, etc., management of 'men' or 'human resources' is of vital importance. As this resource is much wider than other resources, this happens to be of primary importance in the process of goal attainment of the organisation. Hence, this source should be properly developed and scientifically managed.

The idea of HRD was the offshoot of the industrial civilization. The Industrial revolution brought with it, the factory system and certain technologies connected with it among which "Resource" was one. It refers to a source having economic potentiality to be utilized or exploited if needed. Human labour was not being regarded initially as a resource. In course of time because of change of orientation and attitude, the labour force came to be known as the 'human resource'. The term was applicable only to the industrial

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84 Davar, R.S., "Personnel Management and Industrial Relations" Vikas Publishing House, New Delhi, p.2. 1976
workers for long, but 'received an honorable and more meaningful connotation when Gunnar Myrdal used the term in his famous book Asian Drama in 1968.\textsuperscript{86} Since then it has become a political catch word and governments referred to their population as 'human resource'.\textsuperscript{87} In the context of India, it gained significance when Late Prime Minister Rajiv Gandhi recognized it through the ministries of the Union Government and placed Education and Health under the new ministry of HRD.

3.2.1 Concept of Human Resource Development (HRD)

HRD is a system of developing in a continuous and planned way the competencies of individual employees, dynamic groups and the total organisation to achieve organisational goals. It maximizes the organisational culture in which superior subordinate relationship, teamwork and collaboration among various units’ motivation and pride of employees. HRD is to improve productivity, output and efficiency of the organisations by utilizing people’s minds as well as their hands.

HRD is the process of increasing the capacity of human resources through development. In other words, HRD is a process of adding value to individuals, team, and organisation as human system. HRD includes development of people, organisation and provides a framework for self development, training programmes and progression to meet the organisation’s future skill requirement.\textsuperscript{88} The most fundamental part of HRD is HRD philosophy. It represents those basic beliefs, ideas, principles and views

\textsuperscript{87} National Policy on Education, Paragraph 1 (10).
\textsuperscript{88} RaoT.V. Improving employees relation climate – HRD shows the way –alternative approaches and strategy of HRD, Rawat publication Jaipur 1999.
which are held by the management with respect to the development and
growth of its employees. It plays two important functions i.e. (i) A
management style of manager develops his practices on the basis of his
philosophy (ii) Make organisational goal more explicit.

HRD professionals’ experiences deal with HRD mechanism like
performance appraisal, counseling and review discussion, training OD
interventions, career planning and development, job rotation and role clarity
exercise. The HRD programme approach addresses the process of changing
and organising its external stake holders, internal groups and employees for
achieving planned learning and training. It emphasis three basic components,
(i) Training for performance improvement, (ii) Education for career
development and (iii) Development for organisational change.

Many successful industrialized countries have adopted primarily the
HRD approach in various forms and techniques to maximize the contribution
of human resources (sources of skills, talents, intelligence, wisdom and
abilities) of the organisation towards the joint objectives of meeting the
organisational goals of management and satisfying the overall human needs of
the men functioning at all levels. Therefore, HRD is an integrated strategy and
planned development process for effective utilization of human resources at
work for the achievement of organisational objectives. It is rather a total
human resource utilization process with a view to establish integration
between man and organisation, man and task and man and man. It is a total
matching process between hard S's (Structure, System and Strategy) and soft
S's (Staff, Skill, Style and Super-ordinate goals).
3.2.2 HRD philosophy

In a dynamic and fast changing world, organisations also have to be dynamic, to become successful. Organisations would like to grow in various ways and forms, respond to their environment and may even like to have considerable impact on them. Organisations have to change their approaches of working through HRD, to cope with the changing world. HRD systems aim at developing the enabling capabilities of people in organisations. Such enabling, capabilities can be developed in a climate that provides some amount of initiative, trust, openness, autonomy, risk-taking, collaboration and commitment to work. The HRD philosophy believes that 'it is the responsibility of the top management to create a climate of development and make the place of work enjoyable so that people may give their best for the organisation along with a sense of satisfaction and growth'.

Various capabilities are required to carry out different tasks or to perform different roles in an organisation. These capabilities can be classified under four broad categories Technical, Managerial, Human and Conceptual. Technical capabilities deal with the technological understanding and skills required to perform the tasks. Managerial capabilities include abilities to develop systems, ability to plan, co-ordinate, monitor, forecast, schedule, organize, evaluate, etc. Human capabilities include capabilities like leadership, team-building, team management, initiative taking ability, creativity, and ability to motivate and maintain high morale among staff, ability to identify and utilize potential of people, etc. Conceptual capabilities

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include abilities to conceptualize and visualize the invisible, ability to form perspectives and abilities to think of larger contexts. These capabilities may involve knowledge, skills and attitudes.

Human resource is the most important asset in the organisation because all other natural resources can be better utilized by motivated human resources only. Thus, there is a need to invest time, money and efforts in their development. The investment of time, money and the effort put in provide fruitful results. As McGregor observed, people have got a large amount of creativity, imagination, ingenuity to solve the problems of organisation. But, often these potentials are not fully utilized by management through appropriate and systematic efforts. As has been well observed "Each human being is born as something new, something that never existed before. Each is born with the capacity to win at life. Each has his own unique potentials, capabilities and limitations". Thus, it is the responsibility of management to develop subordinates for the achievement of organisational goals.

It is a known fact that the return from investment in human resources is many times more than from other resources. Material resources depreciate every year in value but human resources appreciate in value by acquiring, greater knowledge, experience and efficiency. Knowledge (technical, managerial and behavioral sciences) can be acquired to a great degree in educational, training institutions or by reading books. However, skills can be acquired only to limited extent in classrooms. Particularly managerial and behavioral skills' cannot be easily acquired in classroom. It is difficult for a

training programme or an educational institution to offer individually tailored learning experiences aiming at skill development. Every employee in an organisation has his own unique needs, setting and understanding. Therefore, skill development can take place better on-the-job under guided instructions.

In addition to facilitating the development of individual employee capabilities to perform different tasks, HRD efforts should also focus on strengthening the process capabilities of an organisation. Such process capabilities include superior-subordinate relationships at every level (Dyadic relationships), teamwork, interdepartmental and inter-team collaboration and organisational health in general.

3.2.3 Evolving a promising HRD environment

Every organisation has some social obligations. It is the responsibility of every organisation to create healthy and congenial atmosphere in the organisation, so that people may give their best to the organisation along with a sense of belongingness, satisfaction and growth. Growth is the need of time. People in organisations have very high aspirations and ambitions for their own growth and development. Faith is needed in the capability of employees to change and acquire new competence at any stage of life in the organisation. HRD does not merely focus on employees as individuals, but also on other human units and processes such as roles or jobs in the organisation, dynamic units, teams, inter-team groups and total organisation.

3.2.4 Nature of HRD

In the words of Parnnath, "HRD is not an engineering process having a set of mechanism".\textsuperscript{92} HRD is a co-operative massive effort in the

\textsuperscript{92} Parnnath, "HRD in Bokaro Steel Plant", Iron and Steel Review, Vol.32. No.4. p.28. September, 1988
organisation. The HRD department may play a major role in the development of employees but the co-operation of other parts of an organisation is necessary in such an effort. Udai Pareek and T.V. Rao,\(^93\) have identified four basic agents or partners of development; (a) the employee or individual (the self), (b) the immediate boss of the employee, (c) the HRD department and (d) the organisation.

HRD is an administrative function. HRD manager is a line manager and has an important place in the organization. Previously it was treated as a staff function. But the ASTD suggested that "It (HRD) should be an entrepreneurial function to increase the importance of the HRD". It observed that HRD manager should be a problem solver, risk taker, interdependent rather than remedial teacher, caution taker and dependent. He should create opportunities for the employees in place of minimizing performance gaps.

### 3.2.5 Needs for HRD in an organisation

The need for HRD arises out of the development objectives of the organisation. Organisational planning and forecasts provide the predetermined objectives which when development-oriented, specify the need and establish the parameters of developments. It has already become an established fact that no organisation can grow and strive without the growth and development of its people. Also "in view of the fast developing changes, the HRD must be viewed as the total system interrelated and interacting with other systems at work-the manufacturing, the financial, and the distribution with which a business system functions".\(^94\)


Even an organisation that has reached its limit in terms of growth needs to adapt to the changing environment. No organisation is immune to the need for processes that help to acquire and increase its capabilities for stability and renewal. Development is the basic and pre-requisite need for the overall development of the country. The common man in India lacks opportunities to develop his personality traits due to the unutilisation or underutilization of human resources. If a country is unable to develop its human resources, it cannot develop much else whether it is a modern, political and social structure, a sense of national unity or higher standards of material welfare. In organisational context, the needs for HRD are to improve the working life, to facilitate effective communication, to enable self actualization through systematic development of their potential, tapping the present and future creative abilities of the people, helping organisations to utilize human resources to their maximum potential, making the employees aware about their strengths and weaknesses, availing opportunities for further development, to provide extensive framework for the development of Human resources, to create opportunities to inculcate talent and good working condition, to facilitate all round development of employees, to maintain appreciable high level of motivation, to develop team spirit and an effective work culture, to build up healthy superior- subordinate relationship, to enhance better quality, higher productivity, higher profits, to prepare employees to cope with functional complexities, to achieve multiple goal.

3.2.6 Objectives of HRD

"An enterprise is made up of human bonding together for mutual benefits and the enterprise is made or destroyed by the quality and behaviour of its people. What distinguishes an enterprise is its human resource having
the ability to use knowledge of all kinds.\textsuperscript{95} This clearly indicates the importance of human resources in any organisation. It should always be harnessed through orientation in the nature of work and also be exploited in accomplishment of duties. Hence, the main objective of HRD system is to develop and use the latent abilities of each individual by providing him with ample opportunities and scope in the organisation. This will result in increasing knowledge, skill, capacities and positive work attitudes and values of people at all levels in the business undertaking.

The main objectives of HRD are

1. To maximize the utilization of human resources for the achievement of individual and organisational goals;

2. To provide an opportunity and comprehensive framework for the development of human resources in an organisation for full expression of their latent and manifest potentials;

3. To locate, ensure, recognize and develop the enabling capabilities of the employees in the organisation in relation to their present and potential roles;

4. To develop the constructive mind and an overall personality of the employees;

5. To develop the sense of team spirit, team work and inter-team collaboration;

6. To develop the organisational health, culture and effectiveness;

7. To humanize the work in the organisations;

8. To develop dynamic human relationships; and

9. To generate systematic information about human resources.

3.2.7 HRD Activities

HRD should have a meaningful HRM system as its base, if it is to play a pivotal role in improving productivity and competitiveness of the organisation. It should cover the different aspects of the role of HRD or HRD manager - its roles in strategic planning, performing, developing, processing, changing agent and enabling. 96

3.2.8 HRD sub-systems

The development of an employee would imply help to the individual through job coaching, counselling to guide him along the proper path, encourage him to take up responsibilities and challenges, supporting him whenever he needs the support, training him to feed some additional information, inculcate skills and bring out a change in his outlook. In this regard, HRD is considered as the most suitable method of developing individual’s in the organisation because a cardinal characteristic of HRD that distinguishes it from other branches of personnel management is its essential inward look. It emphasizes upon a continuous search of limitless intrinsic human potential. These objectives of HRD process are facilitated by the different sub-systems or mechanisms like

1) HRD policy
2) Recruitment and Selection
3) Training and Development
4) Performance Appraisal
5) Promotion and Transfer

6) Rewards and Compensation
7) Career Development
8) Safety Measures (Quality of work life)
9) Workers Participation
10) Industrial Relations
11) Welfare Measures (Allowances and Benefits)

3.2.8.1 HRD Policy

Human resources is the most important asset in the organisation because all other natural resources can be better utilized by motivated human resources only. Thus, there is a need to invest time, money and effort in their development. The investment of resources provides fruitful results as the human resources can be developed to an unlimited extent because every human being has endless potentials. HRD policy represents those basic beliefs, ideals, principles and views which are held by the management with respect to the development and growth of its employees. A well established HRD policy plays two important functions. First it gives rise to what one may call style of management. A management develops style on the basis of its policy. Second, policy makes organisational goals more explicit.

Organisations cannot avoid the impact of dynamic and fast changing world. For success of an organisation it is necessary for it to be dynamic. To cope with the changing world, organisations have to change their approaches of working through HRD. Thus it is necessary to understand the basic policy of HRD which assumed that HRD can be planned and monitored in ways that may be beneficial both to the individual and to the organisation.
The important part of an HRD plan is that which deals with policies. These are general statements which guide thinking and action in decision making. Sound HRD policies are an essential base for sound HRD practice. They provide the base for management by principle as contrasted with management by expediency. HRD policies can be formulated to cover the selection, training, compensation, arrangement for work, employee services and industrial relations.

3.2.8.2 Recruitment and Selection

The quality and quantity of personnel needed for an organization have been decided the task of its recruitment and selection. There are a number of steps involved in this process. Once the requisition or the indent has been received the personnel department can begin the process of recruitment. Recruitment is the process of searching prospective workers and stimulating them to apply for jobs in the organisation. In practice, however prospective employees are to seek out organisations and seek out prospective employers. Sources of recruitment can be broadly classified into two i.e. internal and external. Internal sources refer to the present working force of a company. External sources refer to the workforce taken from the outside of organisations. These work forces recruited through advertisement in Newspapers, Employment exchange, Field trips, Campus interview, Labour contractors and Heirship.

Selection as the name implies, involves picking for hire a subset of workers from the total set of workers who have applied for the job. Selections are done comparing the requirements of a job with applicant’s qualifications. An attempt is made to find a round peg for a round hole. In doing so naturally
many applicants are rejected. This makes selection a negative function. Selection techniques are referred to as predictors i.e. application scrutiny, interview, tests, references and physical examination. The human resources have been selected by the organisation's HR officials on the basis of applicants' educational background, technical skill and previous working experience. In practice, the public sector organisations have followed the communal reservation system while selecting the workforce and fill-up the vacancies.

In selection, the task is to match people with positions. In the interview, selected people assigned to their positions where they are likely to make the best use of their abilities. In large companies, however, where there are a number of vacancies, selection and placement may become distinct processes. Then placed workforces are taken into induction process. This process is done by the HR department and the supervisors. It is the introduction process which explained their duties and responsibilities, work team, company history, products and major operations, structure of the organisation and functions of various departments.

3.2.8.3 Training and Development

Training is linked with performance appraisal and career development. The success of any development programme lies in a number of variables of which training is considered as important and vital. "It is a process that involves the acquisition of skills, concepts, rules and attitudes in order to increase the effectiveness of employees doing a particular job". Training is expected to provide the needful stimulus to initiate impulses of change in
management and will lead to improved efficiency, productivity and administrative performance.

Training is by far the most frequently used HRD mechanism in the country. It gives an employee confidence in handling the job assigned to him and increases the quantity and quality of output through improved work methods and skills. Employees are trained on the job or outside the job through various training programmes to enhance, develop and update their skills and knowledge. The enterprise on the other hand, with trained personnel can afford to introduce latest techniques of cost reduction, resource allocation, material or quality control and so on. But unfortunately, some organisations were equating training with HRD and consequently provide nothing other than training. This picture no more exists now and has changed a lot in the field of personnel management. HRD no more remains an equal to training. When it was realized that the impressive nomenclature given to training suffers from common misdirection in achieving its desired objectives and fitting an individual into a corporate organisation, since then the word training has lost its charisma and has been relabeled only as one of the mechanisms of HRD.

As Price\(^{97}\) observes, a training need exists whenever there is a gap between the present performance of an employee or group of employees and the desired performance. The following formula is suggested to indicate the specific training needs. Training Needs = Job Requirements - Employees' Present Job Skills. The existence of gap can be determined on the basis of a "skills analysis" involving five steps as follows (a) analysis and determination

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of the major requirements of the specific job; (b) identification of the tasks needed to be accomplished to meet the job requirements; (c) understanding of the procedures needed to accomplish each of the job or task; (d) analysis of the knowledge and skills needed to accomplish the procedures; and (e) identification of any special problem of the job and analysis of any particular skill needed to meet the problem.

3.2.8.4 Performance appraisal

Performance refers to the degree of accomplishment of the tasks that make up individual's job and is measured in terms of results. Performance appraisal on the other hand, is "a process that involves communicating to the employee how well employees are performing their job; it also involves establishing a plan of improvement". A written assessment to which the employee has no chance to respond is still common in most countries, particularly the developing countries; many studies indicate that this type of appraisal serves no purpose. It is time that more organisations began to utilize the performance appraisal interview between the manager and subordinate, during which the subordinate's strengths and weaknesses are discussed, concerns are shared and

the subordinate is given the opportunity to defend or improve any deficits in his or her performance.

An HRD-oriented performance appraisal is used as a mechanism for supervisor to understand the difficulties of their subordinates and try to remove these difficulties, understand the strength and weaknesses of their subordinates and help the subordinates to realise these, help the subordinates to become aware of their positive contributions, encourage subordinates to accept more responsibilities and challenges, help subordinates to acquire new capabilities, and plan for effective utilization of the talent of subordinates.

Different methods of appraisals are developed to provide fairness, completeness and accuracy of the appraisal process. Trait methods are earlier appraisal methods, in which employees are rated on their personality traits, attributes and job behaviors. But the latest methods include ranking system, rating scales and Management by Objectives (MBO). Other methods like critical incidents, check lists, essay methods and assessment centre concepts are also used, but not to the extent of those listed earlier.

Every supervising officer or senior has the responsibility to ensure the development of his immediate juniors in relation to the capabilities required to perform his job effectively. For this purpose, a senior officer may sit with his juniors periodically (at scheduled times if necessary) and discuss with him, his performance, communicate to him the performance areas that need his attention and jointly set targets for themselves till the next period of discussion.

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The period may be once in three months to once a year. The targets are reviewed in the next meeting. The review generally aims at the senior understanding the difficulties of the junior and identifying his developmental needs. Before such review the junior prepares for the discussion through self-analysis and self-assessment and the senior prepares for it by listing down his observations, suggestions and expectations. The junior also does his own performance analysis by identifying the factors that have contributed to his performance and the factors that have hindered his performance. He also identifies the support he needs from his seniors or others for doing better in the next period.

Such performance analysis is presented to his senior officer during the review meeting. This enables the senior officer to know the contributions of his juniors. During discussions the senior adds his own list to the factors identified by the junior. These discussions help in mutual understanding and in creating a feeling of security and care in every employee.

Systematic performance appraisal is of utmost significance in organisational settings. Obviously, it provides highly useful information in much advance of time which is of great assistance in making and enforcing discussions regarding various personnel aspects such as promotion, pay increments, layoffs and transfers. Moreover, the information obtained from systematic appraisal programmes facilitate the comparison.

Apart from usual ratings, there is a lot of useful information given by appraiser and appraisee, which must be put to use for human and

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organisational development. The key performance areas (KPAs) of the appraiser must be spelt out clearly, depicting the level of performance vis-à-vis goals/targets set. Unbiased approach of appraisers is also an important precondition for creating a developmental orientation of the appraisal system. Reviewing authority must take an overall and objective view of all information supplied in the appraisal report by the appraiser and appraise especially the KPAs duly commented by the appraiser. Personnel managers' task should include necessary follow-up, develop suitable data from the appraisal reports, pass on suitable information on training needs, manpower planning, etc., to concerned sections and heads of departments. A personnel data bank must be developed on the basis of annual performance appraisal reports of all employees.

3.2.8.5 Promotion and Transfer

It is another important HRD mechanism which is concerned with identifying the potential of an employee for future development and promotion in the company. This focuses on finding out periodically the extent of responsibilities. Thus it is linked with job and role analysis. In HRD, promotion is not considered to be reward. This is because it is not based on performance but it is based on the potential of an employee.

3.2.8.6 Rewards and Compensation

Rewarding employee performance and behaviour over and above their normal salary and wages is an important part of HRD. "In any organisation the managers and employees are having similar motivation, although the manager controls the means of achieving need-satisfaction at work and each employee seeks self-development to go as far as possible on his own ability."
But frustration, slow work and depression come in the way of need satisfaction. One way of eradication of such frustration is reward to efficient and active workers for their work which may be termed as incentives.\textsuperscript{101} It is an objective goal which is capable of satisfying what one is aware of subjectively as a need, drive or desire. On the other hand, "it is concerned with more effective utilization of manpower at all levels, which is the cheapest, quickest and surest means of increasing productivity."\textsuperscript{102}

Appropriate rewards not only recognize and motivate employees; they also communicate the organisation's values to the employees. In HRD system, innovations and use of capabilities are rewarded in order to encourage the acquisition and application of positive attitude and skills. Typical rewards include certificate of appreciation, newsletter announcement, an increase in salary, bonuses, special privileges and desired training. Promotions generally are not considered as rewards because promotion decisions are based on appraisal of potential whereas most rewards are based on performance. Rewards may be given to teams, departments and other units within the organisation as well as to the employees individually.

3.2.8.7 Career Development

"Career planning essentially means helping the employees to plan their career in terms of their capacities within the context of organisational needs."\textsuperscript{103} The HRD philosophy is that people perform better when they feel trusted and see meaning in what they are doing. In the HRD system, corporate

\begin{itemize}
  \item \textsuperscript{101} Vicent, M.J., New Foundations of Industrial Sociology, p. 66-67.1986
  \item \textsuperscript{102} Parida, J.K., An Unpublished Ph.D. Thesis on "An Evaluations of Incentive Schemes in Rourkela Steel Plant – A Case Study", p.193. 1986
  \item \textsuperscript{103} Managing Men MS-2, “Employee Selection development and growth”, IGNOU notes p.35. 2000
\end{itemize}
growth plans are not kept secret. Long-range plans for the organisation are made known to all the employees. Employees are helped to prepare for change whenever such change is planned; in fact, the employees help to facilitate the change. Major changes are discussed at all levels to increase employee understanding and commitment.

Most people want to know the possibilities for their own growth and career opportunities. Because managers and supervisors have information about the growth plans of the company, it is their responsibility to transmit information to their subordinates and to assist them in planning their careers within the organisation. Of course, the plans may not become a reality, but all are aware of the possibilities and are prepared for them. However, in HRD, the career planning is considered as an aspect of managing people to obtain optimal results.

While career development means the development of the general technical and managerial career in the organisation, career planning implies planning of specific career paths of the employee in the foreseeable future in the organisation with the help of the reporting officer. For career planning and development purposes, the employees could be viewed under three groups. The first group of employees is the new recruits who are generally fresh candidates from educational institutions and who look forward to opportunities to improve their technical and managerial skills and develop their careers. The second category of employees are those who may have spent a long time in the organisation but may be in the same position for more than six to seven years and may possess potentialities. The third category of employees is those who may have reached a stage beyond which they may not be able to progress. Career planning is a slow process and should come as a natural part of the organisational culture. It cannot be avoided in any
organisation having a Human Resource Information System (HRIS). However, it should not be formalized or hurriedly introduced as it may give rise to various problems. Attention should be paid to the career development of employees on a systematic basis.\textsuperscript{104}

3.2.8.8 Safety measures and Quality of work life (QWL)

The conditions under which the workers work and live, assume the form of another important factor contributing to workers satisfaction or otherwise and consequently the job satisfaction. In order of priorities it comes next to the earnings of a worker in Indian context. Employees at lower levels in the organisation usually perform relatively monotonous tasks and have fewer opportunities for promotion or change. This is particularly true in the case of developing countries. In most countries, many employees belong to trade unions. In order to maintain their work commitment and motivation, the organisation must provide some welfare benefits such as medical insurance, disability insurance, holidays and vacations.

QWL programmes generally focus on the environment within the organisation and include basic physical concerns such as, heating and air conditioning, lighting and safety precautions; additional physical amenities such as food, beverage facilities, recreation, aesthetics, psychological and motivational factors such as flexible working hours, freedom to suggest changes or improvements, challenging work and varying degrees of autonomy.

HRD system focuses on employees’ welfare and QWL by continually examining employees’ needs and meeting them to the extent possible. Job-enrichment programmes, educational subsidies, recreational activities, health

and medical benefits and the like generate a sense of belonging that benefits the organisation in the long run.

3.2.8.9 Workers Participation

In recent times, there has been a clear demand for more participation in the decision making process at work place. Participation is a way of gaining commitment by workers to some proposal on the ground that if employees have been involved in discussing it. They will be more interested in its success. Participation depends on the nature of issues involved, level of participation, individual characteristics of employees and extent of participation. Worker’s participation is thought to undermine worker rights and weaken union resistance. The scope of workers participation scheme is related to elimination of waste and defective work, reduction of cost, improvement of quality and working conditions, production and productivity, safety and welfare of workers. At the corporate level, there is joint consultative council, at the plant level there is joint works council, at the department level there is joint department councils. In big corporate, most workers desire to participate at the floor level because at this level they can directly participate without representatives.

3.2.8.10 Industrial Relations (IR)

Last though not the least important subsystem of HRD is industrial relations. It is a catalytic force which plays a vital role in facilitating or inhibiting the impact of all their methods. Good industrial relations based on mutual trust and goodwill make the execution of HRD programmes easy. Poor industrial relations based on mutual distrust and fear makes execution difficult.
Historically, unions in our country have been playing the role of agitators and bargainers. They generally oppose HRD initiatives because they fear that this will shift workers' loyalty to management, reduce unions' bargaining power, encourage workers' greater participation in unions' leadership and destabilize workers' solidarity. Such fears can be allayed only by building trust and by providing unions more opportunities in the planning and implementation of HRD efforts. HRD unions may be encouraged to make a thrust towards the psychological and social wellbeing of workers. Some important areas in which they are asked to participate are as follows (a) Communication, (b) Counselling, (c) Education and training, (d) Welfare, (e) Family and vocational guidance, (f) Research.

For ensuring the effectiveness of the above techniques

1. They should be properly designed keeping in view the organisation's needs;
2. They should be systematically linked to produce the holistic effect;
3. They should be periodically reviewed to examine whether they are producing the desired effects; and
4. They should receive commitment from top otherwise they will become mere rituals.

It should be noted that some of the above methods such as performance appraisal, potential appraisal, role analysis and role development are of very limited advantages in the development of workers and are, therefore, used mostly for developing managerial competencies only. Methods generally used for developing the competencies of workers are grievance redressal, participation, welfare, counselling, and quality of work life, quality circles and training.
3.2.8.11 Welfare Measures (Allowances and benefits)

In HRD system, there is always a focus on employee welfare and quality of work life. Employee at lower levels in the organisation usually performs relatively monotonous tasks about having fewer opportunities for promotion or change. This particularly is true in developing countries. In most countries, many employees belong to trade unions. In order to maintain their work commitment and motivation, the organisation must provide some welfare benefits such as medical insurance, disability insurance, holidays and vacations.

3.2.9 Growth of HRD in India

As far as India is concerned, the term HRD was introduced for the first time in the State Bank of India in 1972. It is believed that the concept of HRD has not been imported into India. It is a philosophical value concept developed by Udai Pareek and T.V. Rao the IIM, Ahmedabad. By the late seventies, this professional outlook on HRD spreads to a few other public sector organisations such as BHEL, SAIL, Maruti Udyog Ltd., and Air-India. Larson and Toubro Ltd., and TISCO are the pioneers of HRD application in the private sector organisations in India.

The role of IIM, Ahmedabad, Centre for HRD at Xavier Labour Relations Institute, Jamshedpur, Indian Society for Training and Development at New Delhi and National HRD Network at New Delhi and some individual researchers have taken greater effort in carrying the HRD movement forward in India. Today, most of the larger public and private sector organisations in

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105 Unpublished lecture delivered on "Some Issues on HRD", by Prof. Udai Pareek in the Department of Business Administration, University of Rajasthan, Jaipur, May 1984.
India are using the techniques and approaches of HRD to develop their employees for the achievement of organisational goals with individual satisfaction and growth. HRD has now become a national issue and the Ministry of HRD is expected to mobilize the human potential of the country.

HRD is a total system with various sub-systems but there is a lack of cohesiveness in the concept of HRD system. Various HRD thinkers and professionals have designed the mechanisms of HRD in different ways. T.V. Rao opines that the sub-systems should comprise of performance appraisal, potential appraisal and development, feedback and performance coaching, career planning, training, OD, rewards, employee’s welfare and the QWL and HRIS. Udai Pareek, a pioneer in the field of HRD philosophy in India makes a reference only to the performance appraisal, feedback and counseling, potential appraisal, career development and career planning and training under HRD. According to him, reward system and employee welfare schemes are the hygiene factors necessary for the creation of proper environment for inducting HRD System. Lallen Prasad dealing with the Management of Public Enterprises finds manpower planning, injection of new blood, promotion of schemes, job rotation, job-enrichment and job redesign as a part of HRD. M.M.Varadan classified HRD mechanisms into performance appraisal, role analysis, OD and QCs. D.L.Silveria, a Management Consultant accepting the components given by T.V.Rao adds more to the life; these are manpower planning and consultation at work.

3.2.10 HRD practices in Indian companies

It would be worthwhile to look into the practices of HRD in some leading public and private enterprises in India, where HRD has been introduced. In the State sector, a large number of undertakings is now experimenting the entire HRD system in varying degrees. The sub-systems differ and there is no harmony in the application of the systems. The SBI which pioneered the HRD systems in India developed manpower planning, performance appraisal, training, OD, career plan and research as components of HRD. The BHEL, Bhopal has followed the list and it has introduced similar schemes in the system. However, it has added some more sub-systems, viz., potential appraisal, performance feedback and counseling, job-design, rewards, QCs and HRIS. The HRD model of IOC Ltd., initially introduced twelve sub-systems but later on it dropped recruitment, selection and induction and participative management from the list. The present components of HRD in the IOC Ltd., are corporate planning, manpower planning, role analysis, performance appraisal, counselling and feedback, succession planning, career planning, job rotation, training and human resource data bank. Larson and Toubro Ltd., a pioneer of HRD in private sector, introduced HRD in 1957 through the sub-systems of performance appraisal, career development and planning, employee counselling, potential appraisal and OD. T.V.Sundaram Iyengar and Sons Ltd., Madurai have used manpower planning, induction, job-rotation, training, performance appraisal, potential appraisal, succession planning, job-enrichment, suggestion schemes, liberal education, personnel research and organisation analysis, reports,
control and long-range planning as techniques to develop the human resources in the organisation. Crompton Greaves has identified three priority areas of HRD namely role analysis, appraisal systems and counselling.

Now it is clear that there is no clarity about the scope of HRD systems and divergent views exist as to the composition of HRD system which makes it impossible to develop a holistic system of HRD. The process is still at the experimental state and only time would tell what shall or what shall not form part of the system in the future. However, certain sub-systems of HRD like OD, training and development, appraisal systems and career advancement can be considered as basics of HRD system.

3.3 SUMMARY

It can be concluded that the importance of newly emerging concept of HRD has been slowly and steadily gaining its momentum in India, where development and knowledge are expanding at an alarmingly faster rate. The personnel managers or HRD managers must simultaneously maintain an awareness of facts and figures, innovations and regulatory changes. Anyone who attempts to stay abreast of the field will soon realise that it is impossible to digest the plethora of study and information available today. The primary motive of HRD system is to update the knowledge and develop the workforce with fulfillment of their needs and wants. Hence the HR department should be concentrated on the employees’ development. If the employees are developed, their productivity gets multiplied and eventually the organisation gets benefited. Hence this chapter includes the various theoretical aspects of HRD.