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CHAPTER - III

REVIEW OF THE LITERATURE

3.1 INTRODUCTION:

The review of the literature is the most significant aspect of the research work. It includes review of the books, journals, M. Phil., Ph. D. theses, information from various sources. Instead of taking review of book and theses separately we have taken the modest method review of literature as per the year wise research work and other information which is available to the researcher. The review of literature consists of select HRD process, training and development, performance appraisal and career planning and development.

The ‘Human Resource Development’ (HRD) is an organizational activity and a professional practice was introduced for the first time in India in 1974 by a private corporate sector organization, Larson and Toubro (L & T). In 1978, it was adopted by a Public Sector bank, Bank of Baroda (BOB) & in 1979, by State Bank of India (SBI).

Admittedly HRD had Western intellectual origin and understandably in the initial years. Indian Managers and management thinkers were apprehensive about Western HRD model’s adoptability to and feasibility in Indian social economic, cultural and work environments. BOB, SBI and L &T experiments based on Western models could get underway because to begin with, the high finance and high technology functional areas, respectively, of these organizations, were based on Western Organizations’ Concepts. Indian business and industry managers closely watched these experiments.
3.2 THE REVIEW:

Human Resource Development is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. HRD is a process concerned with an organized series of learning activities designed to produce behavioral changes in the human resources in such a way that they acquire the desired level of competence for present and future role. In other words, HRD brings about ‘all round development’ of the people so that they can contribute their best to the organization, society and the nation. Here, the views of different researchers are discussed in the following paragraphs.

(01) In the year 1980, Udai Pareek and T.V. Rao of the Indian Institute of Management, Ahmedabad (IIMA), published their path breaking work. “Designing and Managing Human Resource system”, proposing on HRD model based on the original Western Concept but anchored in the India Social & cultural values. The book indeed took away some of the Western aura around the HRD Concept and prepared the Indian Management psyche to at least tentatively try out the ideas proposed in it.

With this, began an era of HRD experimentation in India Enthused by the successes reported in BOB, SBI & L& T, increasing number of public and private sector organizations came forward to implement HRD Programmes. The year 1985 saw the establishment of an HRD National Network. In its annual conferences since then, academicians, consultants HRD Mangers and senior line manager from industries have presented numerous papers covering empirical, theoretical and experience based materials, Academic and business press too responded favorable to the HRD spirit emerging in the country. The discussions of HRD concepts, roles, practices and mechanisms presented on their pages helped to create an awareness of HRD among management students and scholars.
alike. Around this time, the Union Government also established an HRD Ministry.

(02) The real fillip to HRD movements came quite unexpectedly. The process of liberalization of the India economy which had begun only gradually in 1980’s suddenly turned into a torrent by the year 1990. With the opening of the economy free market forces, Captains of India manufacturing and service organizations realized that for staying competitive and viable in the globalizing markets, every resources including the human resources, at their disposal were precious. In fact, premium shifted onto the human resources because finance technology could be secured easily than earlier and markets were opening wider than earlier but the people to efficiently and effectively run the organization sill took certain time to train and develop.

(03) In the tumultuous years since 1990, experimentation and intellectual discourse of the preceding decade regularly reported in the print media and the HRD literature trickling from the West, bean to influence and shape the HRD practices in Indian business and industrial organizations.

While browsing though indigenous HRD literature from 1980 to 1996, one may notice literature from 1980 to 1996, One may notice discernible differences in presentation styles terminology and survey between pre and post 1990 literature, m the latter making its statement with a confidence born out of knowledge gained from experience taking realistic view of problems and offering programmatic solution., Hence the present review is being restricted to select HRD literature published between 1990 and 1996 in both academic and business press. In addition, some excellent international HRD literature that appeared at the end of the eighties has also been reviewed for proving the conceptual back drop . The
researcher humbly acknowledges that within the time and resources constrains of the present work, he could browse through only a miniscale portion of the total HRD literature published during this period.

In India, as elsewhere, HRD continues to be a philosophy still in the process of evolution. The review in the present chapter, therefore is mainly restricted to the literature only in respect of select HRD process namely (1) Human Resource planning Recruitment and selection (2) Training and Development (3) Performance appraisal and potential appraisal (4) Career planning and Career Development and (5) Compensation and Employees’ Welfare, being researched under this work. As many commentators have covered more than one HRD Process in their writing the researcher had to separately pull their process. Specific comments and rearrange them for making a unified presentation. The exercise has led to unavoidable breaking up of a single original publication into several pieces appearing places in the succeeding pages.

The ‘HRD’ review gives the idea of views of different researchers as discussed in above paragraphs.

3.3 VIEWS OF HRD PRACTITIONERS AND CRITICS:

This section explains the ‘HRD’ according to ‘HRD’ practitioners in different fields. Some HRD practitioners views of ‘HRD’ are given below.

Dr. S. Ravishankar, Dr. R. K. Mishra and Dr. Motilal Sharma (1988) in the book “Human Resource Development in a changing environment” reported the views of contributors, who had discussed their ideas in the paper presented in ‘Indian Society for Training and Development’ at Bombay Chapter on developing Human Resource in the context of changing environment. If once the Human Resource is
developed then they become resourceful for the organization to increase its effectiveness and can also play a vital role printed out special characteristics of HRD in changing environment as, developing people to bring more resourceful and energetic, developing team spirit in organizations and encouraging the personnel to grow and change, enabling individuals to solve complex problems more competently, and developing a greater degree of commitment to change in organizations.

(02) A “Labour Research” Magazine (1988) had pointed out that lack of training was damaging the U. K.’s economic performance in areas such as varied office work and fitted kitchens, construction and metal working. It had examined that the resource devoted for training by Britain puts less resources and commitment into training than two of its major ‘competitors’ – France and West Germany. The National Institute of Economic and Social Research pointed out that, the UK system trained 10,000 qualified people in 1983 – 84 compared with 1,07,000 in France and 1,24,000 in West Germany.

The present article indicates the acute need of training to employees in the development of business and Nation as a whole. It is the core objective of the study and considering its National & Social importance the present study has been undertaken.

(03) Z. S. Screwvalla (Feb. 1988) in the article “Persuit of Management Excellence in Banks” states that, if organization has to sustain its viability and optimize its growth, according to parameters offered by the potential in the market place, then effort and investment in improving manpower assumes the highest priority for a business organization. He strongly urged for employees competencies build up,
proper training, program arrangement and proper performance appraisal systems implementation.

Here, the author should have also covered quality of work life, career planning, wages and salary, transfer and promotion, grievance procedure, etc.

B. R. Shah (1990), Chairman, Lipton India devoted this chairman’s speech at the company’s Annual General Meeting in 1990 to the topic “Human Resource Development”. He identified five broad issues in organizing and developing human resources on a sustained basis:

(a) Human resources must be responsive to the needs of organization.

(b) Team effectiveness and collaborate climate are crucial to achieve organizational success in which the organization’s value system plays an important role.

(c) The basis of motivation must be fully understood.

(d) Recognizing the importance of communication it is necessary to enable people in organization to network with each other so as to achieve change & growth.

(e) Insight into future trends in the environment relating to human resources development and their impact.

About future issues in managing human resources he stressed on the need for specialist, managers with leadership attributes, who are resourceful, versatile,
innovative and lateral thinkers, and also on the need for better trained more educated technically competent and aware employees at all levels. In his opinion, introduction high technology would bring in its wake ‘semi-autonomous work group’ operating without the traditional band of supervisors, Such decentralized operations will have to be headed by the people with high leadership attributes.\(^{(01)}\)

(05) R.S. Gupta (1991), Chairman & Managing Directors of Bharat Heavy Electricals Ltd. (BHEL), in his article “Human Resource Management”, visualizes the dominant role. The HRD function will have to play in meeting the challenges of nineties decade. The Human Resource Manager will have to move away from the narrow rigid confines of Personnel Management’ with all its negative connotations of a reactive discipline, to a broader concept of ‘Human Resource Development’. This embodies a proactive approach the main objective of which is to help employee acquire or sharpen capabilities required to perform their present or expected future role in a continuous and planned way. He advises that organizations should concentrate on developing different strategies and plans for adjusting to the competitive and uncertain environment of the ‘nintees’. This would necessitates designing multi-faceted training exercises to make the workers multi skilled, develop their self renewal capabilities, building up team spirit as also shape the organizational values & culture for excellence. In conclusion, he quoted Braine Domain, “The most successful organization of the 1990’s will be something of a learning organization, a consumately adaptive enterprise with his workers free to think for themselves to identify problems and opportunities and to go after them.\(^{(02)}\)

(06) C.V. Subramaniam (1991) in his articles titled, “Need to consider human element”, comprehensively covers ‘participation’, ‘communication’ and ‘motivation’ for the purpose of organizational development. “Human element” is the live force in the organization and the human resources are the precious
resources that tend all its other resources. Hence, the managements approach towards its human resource ought to be human and all members of the organization out to work in coherence to achieve the common goals. The work place is now the primary focus of people’s lives and it is here that people look for gaining a sense of achievement. The three characteristics of Japanese industrial organizations are first the Japanese peoples ability to achieve a consensus around a higher goal; secondly their necessity for fulfillment of purpose, which drives them to intense effort and thirdly, their tremendous adaptability the willingness to change in India too, Management policies and practices should be reoriented towards people and their development., He concludes with Jawaharlal Nehru’s remarks, ‘Administration is meant to achieve something and not to exist in some kind of ivory tower, following certain rules and procedures and narcissus - like looking on itself with complete satisfaction. The test after all is the human beings and their welfare.\(^{(03)}\)

\(^{(07)}\) V. Prasanna Bhat (1991), in his articles ‘Accommodating Human resources”, states that in an organization, unlike physical assets that depreciate in value and eventually turn into scrap, human assets are capable of appreciating in value, if properly developed. In such development of human resources the organizational design plays an important role. However, unless the people who occupy the positions understand their roles and then function with commitment by developing proper job knowledge. The effectiveness of the organization will not be up to the mark. The main trust of Mr. Bhatt’s argument is on the idea that organization design is a dynamic concept and design should be flexible enough to accommodate super skilled personnel at increasingly higher hierarchical levels, as their commitment to the organization increases and they perform with higher motivation. The flexibility, in turn makes its possible for the organization to reap the benefit by keeping itself ahead.\(^{(04)}\)
‘Aircraft Maintenance Technology’ magazine (March 1993) in the article ‘Team Work’ focused on the role of managers and employees in teamwork. For anyone to change, there has to be a strong need or desire. For teamwork, there must be a level of trust amongst each other to communicate freely, when the trust is low there will be less teamwork and when it is high, there will be high teamwork. Teamwork creates safety, efficiency, less time consumption, as employees work together, learn from each other and get motivated. Effective teamwork is built on the foundation of trust with people and relationship.

Management has to play a key role in teamwork emphasize the benefits of teamwork, give autonomy, encourage training and encourage sharing of their knowledge.

It is stated that employees role in teamwork is to know about the team goals and accomplishment, determine the goal to be achieved, discussed ground rules, procedure and expectations, share mutual respect, do your part, keep commitments, speak up and exchange thoughts, share the glory, look for ways to make new ideas, speak positively about each other, do everything with enthusiasm and do not loose faith.

As ‘team work’ is the result of all the activities of HRD hence for effective teamwork there should be proper HRD climate.

B. R. Choudhari’s (1994) article, “Revitalizing organizational systems” is devoted to two aspects of organization’s functioning improving efficiency and developing human resources. An organization committed to work for it. These people should also have the opportunity to work in an environment in which they would be able
to develop a sense of responsibility, full functioning and self actualizing individuals. They should never think that they are working for anyone but themselves, in other works, they should identify themselves fully with the interests of the organization. Introduction new technology may change the form and the way in which the organizations may improve their efficiency. But since it is the human beings who propel the technology make it work and improve the productively and restructuring consequent to technology should be considered by giving careful thought to human resources.\(^{05}\)

(10) U. K. Dikshit (1995) President, Indian Society for Training and Development and Executive Director (HRD), Indian Oil Corporation, in his article “Human Development for managing Global Transition to 21\(^{st}\) Century”, pointed out the theme of four days ‘World HRD Conference’ which concluded in the New Delhi on November 11, 1994 which are as follows –

(a) Human development is the key element in managing global changes on way to the 21\(^{st}\) century.

(b) Management and Training Associations shift their focus on training from “maintenance learning” to “discovery learning”,

(c) Corporate Organizations collectively support Industrial training link training to international standard and develop extensive networking for accessing information to global market conditions and technological innovations.
(d) The HRD professionals extend their role beyond the employee, to his family and act as a bridge between the world of theory and practice through sustained application of new knowledge.

(e) Management consultant should act as a link between management, educational institutions and industry.\(^{(06)}\)

(11) R. P. Billimoria (1997) Chairman & M. D., Billimoria Consultants Pvt. Ltd., New Delhi, in his article “HRD Strategies for Globalization” outlined the trends in the coming decades of globalization and discussed varied external HRD strategies. As we walk into the global area, we must ask : what is the weakness in our system, which makes our top executives concern themselves primarily with authority and accountability. Being able to respond to change is important, it is the responsibility of training to monitor the changes in the organization and environment and help to deal with them effectively causing minimum disruption.

(a) Excellence is only reached by those organizations which concentrate mainly on a large number of average workers, by training them, motivating them associate with or participate in management processes.

(b) The hub of Reacting Participative Base (RPB) is to create a psychological ambience in which individual or groups feel secure enough in expressing what they think, without fear or ridicule or retribution. The effectiveness of an RPB is as good as the work – persons constituting it.
(c) What managers expect of their subordinate and the way they treat them largely determines their performance and career progress.

(d) To achieve competitiveness, a forward looking dynamic and challenging environment a ‘Sine qua non’ innovations hones the competitive edge. It includes new technologies and new way of doing things.

(e) Industries, Universities and training institutions in various regions should initiate and exchange processors / trainers, which in turn will change places for a specified period.

(f) The person, the family, the community, the State and the employer will have to contribute towards creating an environment which will distress and provide the near optima for the work-person in the work unit and outside it as well. The best of intellect and the best of managerial techniques fail the leader, unless he is totally under control of healthy self.

(g) The classical bipartite and tripartite concept in industry will have to be modified to bring in the fourth and the most vital party, the customer / consumer / client employees will have to be trained to emphasize on customer care.

(h) The true entrepreneurial spirit and business attitude only should be maintained by providing employees with challenging assignment from which he can contribute to the strategic plan of the company. The author concluded that a prime HRD strategy is to secure a free flow for information and cultivate empathy so that employee can plan more meaningful strategies for the whole organization.\(^{(07)}\)
K. Eresi, Chairman & Dean, faculty of Commerce and Management, Bangalore University (June 2001) in his research paper “Personnel Practices in Small Scale Industries of Bangalore City – A Survey”, found that majority of units did not have separate personnel department, as they were not aware about manpower planning besides they were recruited on temporary basis though personal contacts and walk-in type. Majority of the units did not have any policy on training and development. He suggested that they might hire a consultant on a “permanent part time basis” which will bring about increasing awareness to implement current knowledge in HRM. The author was of the opinion that Indian entrepreneurs should give up their old method of management and thoughts. In order to sustain in cut-throat competition, they have to manage their business on scientific basis by analyzing their business problems. They must change their attitude towards employees, as they are their real assets. Also they should implement HRD techniques to utilize their potential.

Gary Dessler (2003), renowned professor of Florida International University, in his book entitled “Human Resource Management” lays specific emphasis on Information Technology in HRD and its use in effectiveness of recruitment, selection, placement of an employee on the job, training, development, performance appraisal, career planning activities for employees, compensation and maintenance of employees in the organization by highlighting “HR’s roles”, “HR Net” along with the “Strategic overview” and “Strategic HR”. The author had explained theses activities along with live pictures, online interaction though computers and internet. The book would have been more informative with the touch of organization development and change, team building, quality of work life, quality circles, communication of personal policies, workers participation in management, etc.
(14) Swapnil Sawant (2004), director, Work Sphere Architects (India) Pvt. Ltd., in his article “Space Age” emphasized on quality of work life parameter of HRD. He reported that every organization should create an inspiring environment that would motivate people to perform better. In order to boost efficiency and maximize employee comfort, a 6,500 sq. ft. area should accommodate just go people with decent common facilities like conference room, meeting room, cafeteria, server room, an electric room and a reception.\(^{(10)}\)

(15) Dr. Akula Rajagopalrao (2004) conducted “An Empirical study on Employees Attitude Towards Training and Job Satisfaction in urban Co-operative Banks in Bangalore City” which reported that, management should change its outlook towards training and should provide customer oriented training. The researcher found that most of the employees were not given orientation program at the time of placement and the employee expressed that training is necessary for efficient performance.\(^{(11)}\)

The present research work indicated the acute need of ‘Training for better performance”.

(16) Dr. P. L. Rao, M. D., Polar Management Services (Pvt.) Ltd., Visakhapatnam (2004) in his article “Competency Mapping of A future HR Manager” shared his experimental views by quoting that, the new areas that HR professional should focus on are talent retention, improving organizational capabilities, developing situational leaderships skills, managing at the rate of change, improving organizational communication and developing HR competencies. The researcher are of the opinion that an organization can develop competent workforce who can be sustain a global competition by effective HRD activities.\(^{(12)}\)
Syed Ashfaq (2004); Vice President 3 Re THREE R Info Systems Pvt. Ltd., in his article “Organizational Building A Challenge to meet Business Goals” reported that H.R. departments should be omniscient, omnipresent omnipotent, which would help in realizing the dream of building a great organization. He had given ten most important guidelines for building a great organization team as (i) never compromise on recruitment, (ii) always look for proactive, progressive and productive attitude candidate than his qualification, (iii) Always groom in house talent for higher positions than outsider, (iv) Always reciprocate and reward the performance of employees, (v) A new employees has to be trained suit the needs of the organization, (vi) Regular review of training effectiveness, (vii) Collaborate efforts of superiors in team efforts to fruitful level, (viii) Productive inter personal relations, (ix) Encourage and celebrate every movement of achievement (x) Continuous training & development of employees.

Boris Groysberg, Aashish Nanda and Nitin Nohria (2004), Professors of business administration in Harvard Business School, Boston completed an in depth study of 1,052 star stock analysts who worked for 78 investment banks in U. S. from 1988 to 1996. They reported in their article named “The Risky Business of Hiring Stars” that, companies hire stars when the stars luster fades, the groups performance slips and the company’s valuation suffers. The drivers of star performance are resources and capabilities, systems and processes, leadership, internal network, training and teams. An executive’s performance depends on both his/her personal competencies and also on the capabilities of the organization. The authors are of the opinion that, in business, the only viable strategy is to recruit good people develop them and retain as many stars recruitment is one of the sub-systems of HRD.

Pradip N. Khandwalla (2004) Ex. Director IIMA and now working as a managerial consultant, in the research article “Competencies for senior Manager
Roles” Reported managerial competencies into six groups as competencies related to contextual sensitivity, management of initiatives, introduction of innovations, resilience and effective coping though problem solving effective task execution and interpersonal competence and leadership. Thus HRD manager can inculcate above competencies among their managers by management development program.\(^{(15)}\)

3.4 HRD PROCESS :

The basis of human resources (HR) planning, in the most general terms are forecasting of “HR supply” and “HR” demand is the number and types of jobs that will be required to be filled in by the organization at some predetermined time in future and the HR supply is the number and types of present and potential employees.

(01) B. R. Shah (1990) emphasizes that the success of an organization plans to achieve tomorrow and the future it wishes to create for itself, largely depend on the ‘people decisions’ taken today. These decisions take into account several factors such as effectiveness of the present organizational structure, changes needed to meet future demands, assessment of management resources and specific training needs.\(^{(16)}\)

(02) According to Avinash Rege (1994) systematic manpower planning takes care of many problems like differentials in personnel policies, wage levels, service conditions welfare facilities, all of which may give rise to grievances.\(^{(17)}\)
(03) Bhaskar Chatterjee (1995) states that the modern day human resource planning places considerable emphasis on a practice strategy which anticipate and respond to changes in the environment, it has to be linked to the corporate strategy designed to enhance competitive advantage of quality of service. \(^{(18)}\)

(04) Krishna Kumar Dua (1996) points out the cost of human resource planning and recruitment being prohibitive, an organization needs to take care that people joining them have skills, essential to accomplish organizational tasks. \(^{(19)}\)

(05) Patricia Nath (1995) advises that the recruitment executives need to seriously study the profiles of the jobs for which they are going to recruit the candidates. Particularly they must look for intangible personality traits like emotional stability, Self actualization capability and the ability to set low threshold limits in exchange for receiving their intrinsic motivational thrust and interpersonal skills among the potential candidates. \(^{(20)}\)

(06) Vinod Gangrotra (1996) says that the focus of the recruitment should be look at an assortment of sills in each potential employee and the recruitment process should be partial to the multi – skilled individuals. Those who are tolerant of the ambiguous role boundaries and re team players would be most suitable. Also, the recruitment ought to become an on-going activity so that the time lag between the arising of vacancy audits filling is kept to bare minimum. \(^{(21)}\)

(07) C. Mamutty ( 1996 ) states that today’s wrong recruitment and selection are tomorrow’s organizational problems. Therefore, while recruiting and selecting the job requirements in the context of existing and failure roles have to be kept in view. The candidates selected should have the potential, capability, attitude and
adaptability to meet the position profile. Focus should not be only on job skills but on attitude and behavior as well.\(^{(22)}\)

C. Mamutty (1996) in another article states that to ensure conformity to organizational culture due care caution & imagination have to be exercised while selecting new employees. There has to be perfect matching of role description with job satisfaction and the applicant’s profile. Very often selection decision is influenced by the skill sets of the applicant without matching his overall personality profile with the organization’s value system. Such selections prove costly in the long run.\(^{(23)}\)

Krishna Kumar Dua (1996) points out that since recruitment is a long term hiring decision, it should be based on sound principles in order to avoid any future unpleasantness for the organization and the individual. Hence, the organization needs reliable measures that can deeper into a candidates profile and present certain parameters for his personality, ability, values and aptitudes\(^{(24)}\)

### 3.5 TRAINING AND DEVELOPMENT:

Training is a systematic process of changing the behaviour, knowledge and attitudes of present employees to improve the match between employees’ characteristics and employment requirements. Training and development of human resources usually return to the organization increased productivity, heightened morale, reduced cost and greater organizational stability and flexibility to adapt to changing environment. Training and development efforts also help in achieving high standards of quality, building up satisfactory organization structure, reducing employee dissatisfaction, eliminating the need for constant supervision, equipping them with capabilities for promotion, cordial
and healthy employment relation through better handling of complaints and grievances. The training and development defined by various researchers is given below.

(01) Shobha Naik (1991), in her articles, “Training as a justified cost”, states that in many organizations, training is basically seen as a cost item and not as a potent force; an activity undertaken more as a ritual rather than an improvement Endeavour. In fact, training helps individuals to communicate better, helps to percolate down the values assists in building their skills and healthy attitudes. It also helps the organization to achieve better results. Measuring training means continually assessing the trainees performance over a long period of time, because it is not possible to establish a direct cause and effect relationship between the training and performance. Indeed, the real returns from training can be measured only on long term basis, high morale, better coverage, better implementation of skills learned and better results from the trainees performance as reflected in the reduction of organizations operating costs and enhanced profits. For the training to be effective, it must be geared to achieve better results through collaborative, interdependent teams. Making people commit themselves to personal and organizational growth. Importantly training must be a continuous process a part of an organization’s larger strategy to build its people’s competence and morale. 

(02) K. Kumbhar (1994) states that a truly HRD – aware organization usually a protective towards and responsive to the changing environment and trains its employees to take cognizance of its emerging expectations and seek training in meeting these.

(03) R. K. Jain (1990) advises that organizations can reduce their costs of investments in training by using computer based training programmes in the first instance and later by suing the plug-compatibility between computers for bringing various
software and hardware together for training purposes. He advises that in spite of
the usefulness of the job training as a whole training periods should not be too
long, except for initial and promotional training exercises training is also a cost to
the organization and hence, its direction and content must be carefully considered
at the highest organizational level.\(^{(27)}\)

(04) According to Avinash Rege (1994), systematic training is the ‘soul’ of HRD
Training methodology and content vary according to the level of the employee
and the needs of the situation. Regular training exercises conducted within the
organization for managers, supervisors and workers improve interpersonal
relationships and mutual understanding, thereby helping to promote cordial
relations.\(^{(28)}\)

(05) Vinod Gangotra (1996) argues that the training would well be used for technical
orientation and new recruits orientation. With the organization. The intermediate
goals of training could be helping the groups and individuals to work as a team
negotiating role managing role, ambiguity and recognizing role boundaries. In the
long run, having well trained teams would facilitate institution building.\(^{(29)}\)

(06) C. Mamutty (1996-97) advises that to ensure that employees are eventually
converted into an organizations assets focused and result oriented training
programmes with direct linkages to skills, attitude and knowledge up-gradation
need to be conducted. Humans are the only asset in the organization that
appreciate, if they receive due attention by way of training and HRD intervention.
Hence, any expenditure towards their up-gradation has to be treated as a
necessary investment.\(^{(30)}\)
krishnakumar dua (1996) states that through training an organization helps its people to learn new skills so as to be able to perform well when an organization invest in its people in their training what it gets in return is higher skill and greater competence that helps to improve morale and productivity. nevertheless, training should be based on each individuals real abilities and personality dynamics. it should optimize each individuals potential should deal with real world situations. moreover, an effective training program must be geared towards an individual as opposed to commonly active approach. about the development though training he states that it is an individuals responsibility. organization plays a vital role in bringing in the realization for development and then providing opportunities for development.

3.6 performance appraisal:

appraisal of performance is widely used in society. parents evaluate their children, teachers evaluate their students and employers evaluate their employees. performance evaluation or performance appraisal is the process of assessing the performance and progress of an employee or a group of employees on a given job and his potential for future development. it consists of all formal procedures used in working organization to
evaluate personalities, contributions and potentials of employees. Performance appraisal is described by various researchers which is given below.

(01) B. R. Shah (1990) states that in Lipton India an annual appraisal system covers most employees and ensures that a record is maintained and ensures that a record is maintained on their current performance. The appraisal system takes into account the individuals potential to shoulder higher responsibility.\(^{(33)}\)

The system also promotes healthy competition. Vinod Gangotra argues that the performance and the potential appraisals have to be team or group directed, hence at all times, during the appraisal process, the group has to be addressed.\(^{(34)}\)

(02) N. G. Kannan (1996) state the purposes and potential appraisal as (1) to assess the critical attributes of employees. (ii) to highlight strengths and weaknesses and areas of improvement (iii) to evaluate and compare the performance of an employee, with other employees (iv) to identify development areas of employees and provide right kind of opportunities (v) to discover latent or hidden skills, strengths talents etc. i.e. potential (vi) to assess how far can an employee grow in the organization taking his capabilities into account (vii) to assess whether the employees is on the right job right place or not (viii) what kind of job rotation or career opportunities can be planned. (ix) whether the employee has constraints the problems in carrying out the present assignment, if so, what rare the favorable and unfavorable environmental factor, what are his performances, if he is seeking a change (x) whether the employee can be considered for career progress on. The different methods available for carrying out appraisals are (1) Performance evaluation system (ii) attributes appraisal system (iii) employees ranking system (iv) potential appraisal system (v) employee development system. (vi) informal systems like meeting discussions, feedbacks etc. In any case, an ideal method for performance and potential appraisal should be based on the integrated assessment of all those who interact with the employee, in addition to his self assessment.\(^{(35)}\)
(03) Ganesh Jejurikar (1996) points out that appraisals – performance and potential being a inescapable feature of the human resources development planes, employee can use the appraisal process to his advantage, to turn it into an opportunity to leverage his career and make himself on asset to the organization periodic performance appraisal of an employee are considered at a fixed frequently of an employees are considered at a fixed frequency one he is confirmed in the employment. \(^{(36)}\)

The performance appraisal defined by various researchers is given above.

### 3.7 CAREER PLANNING AND CAREER DEVELOPMENT:

A career is a sequence of positions or jobs held by a person during the course of his working life. A person’s career is shaped by many factors e.g. hereditary factors, parents, culture, age level, job experience, social environment, etc. ‘Career Development’ is those personal improvements one undertakes to achieve a personal career plan. This is described by different researchers in this field which is given below.

(01) K. Kumar (1994) – states that career planning firstly prepare the employees for accepting new challenges though exposure to multifarious operational fields and developing them for uncharted areas. Career planning is also equally critical for an individual; employee as his personal development, economic gains and social status depend on it. Alternatively, his success or failure also reflected on the organizational climate and its work culture. \(^{(37)}\)

(02) M. K. Nair (1996) advise that the career development plan of an individual, though training and on the job experience job rotation and job enrichment should be chalked out by the line manager, with help from another agency. The manager
should brief the individual on the leaning to be obtained before the training programmes begins. After training, the individual should be debriefed to understand whether the learning had taken place, if opportunity was provided and support given to experiment the new learning obtained in the workplace. (38)

3.8 COMPENSATION AND EMPLOYEES’ WELFARE:

Compensation is what employees receive in exchange of their contribution to the organization. Compensation also helps organization to obtain, maintain and retain its workforce. Compensation in itself is not a strong motivator, but may unjustifiable inequity in or its unacceptability low level causes great dissatisfaction among employees, that in turn, affects organization’s productivity and efficiency as it lowers employees’ performance, increases grievances and degrades the quality of work life. The significance of compensation by different researchers is given below.

(01) K. Kumar (1994) states that employee welfare entails graduated pay scales, retirement benefits, health care, concern for employees families and improving the quality of their social life. The welfare package should exhibit genuine financial and non-financial concern for employees and an attitude of mutuality and collaboration while delivering. (39)

(02) M.K.Nair (1996) rewarding the employees is an important role of the line function. Though various feedback mechanism like periodic reports. Appraisal systems etc. the line manager should evaluate the activities of his subordinated and recommend increments, promotions etc. based on their performances. (40)
3.9 **INCIDENTAL HRD PROCESSES** :

K. Kumar (1991) opens his articles “HRD and the India Banking Scenario” by explaining that HRD is a corporate philosophy of an organization about and in relation to its people which is reflected in its policies, practices and decisions affecting the employees. HRD ethics thus places the individual at the centre stage and helps him to attain ever higher stature and through his exercise, the organization strives to attain its objectives. He alludes to the organization’s own Development Philosophy, which can be put to use, though sparingly as a HRD strategy. Such a philosophy can thwart the competition and help in exploiting the strengths and reducing the impact of weaknesses. It can also ensure better employee participation and their commitment to organizational goals. (41)

3.10 **HRD CLIMATE** :

The last item in this literature review pertains to the HRD climate, which is an integral part of the organizational climate. Hellriegel and Slocum (1974) define it as “a set of attributes which can be perceived about a particular organization and/or its subsystems, and that it may be influenced by the way that organization and/or its subsystems deals with their member and the environment.” (42)

(01) Udai Pareek and T. V. Rao (1987) maintain that HRD climate, being an integral part of the organizational climate, is particularly influenced by the OCTAPAC (Openness, Confrontation, Trust, Autonomy, Production, Authenticity and collaboration). (43)
(02) T.V Rao (1985) elaborates that in an organizational setting, OCTAPAC value become manifest through.

(a) tendency of all levels, especially among the top managers / administrators to treat people as important resources.

(b) a perception that developing the latent competencies of the people in the organization is a part of every manager’s / supervisor’s job.

(c) a faith in the capacity of people to change and acquire new competencies at any state of life.

(d) a tendency to be open in communication.

(e) a tendency to encourage risk taking and initiative.

(f) a tendency to help juniors and sub-ordinates recognize their strengths and weaknesses.

(g) a tendency to discourage favoritism and biases.

(h) a tendency among the employees to help each other in initiating collaborative action.

(i) a general climate of trust.

(j) a general climate of team spirit

(k) Supportive personnel policies.
(l) development oriented appraisals, training rewards, job-rotation, career planning and potential appraisal.\(^{(44)}\)

(03) E. Abraham (1988) evaluated the HRD climate in 14 different public sector banks in 20 cities across the country by administering a 38 item HRD inventory to bank personnel. His findings were:

(a) There is a wide gap between the beliefs of the top management and their practice with regard to human resource development. Although the beliefs and philosophy are of a ideal order, the practice of these fails way below expectations in fact it is alarmingly low.

(b) Bank employees see rewards for good work and welfare as the ways by which the organization shows interest in them.

(c) Promotions seem to be time bound and principally based on seniority, job rotation is considered as a good mechanism for employee development.

(d) Experimentation and initiative taking seem to be an ‘alien’ practice in the banks. Since most jobs in banks are monotonous and of a routine type experimentation is difficult to encourage, but initiative-taking definitely is an area to be encouraged.

(e) Banks have ‘banked’ on training s the mechanism for HRD, but they should take a good look at their training systems and explore the possibilities of introducing other HRD mechanisms.

In conclusion, E Abraham observed that training the most used HRD mechanism in banks needs to be evaluated frequently to verify its effectiveness and that the
top management which believes in the HRD philosophy and its values should be
given sufficient time to put them into practice.  

This literature review is conducted with the remarks of Stella M. Nikomo, “the
literature is far ahead of actual (HRD) practices in most organizations. Perhaps
the broad generalizations and recommendations found in the literature offer little
practice guidance for organizations interested in developing a human resource
system.

Development Vis a vis The changing scenario with special reference to police
Department in Maharashtra” suggested HRD Instruments and models for effective
function of police department. He expressed acute need for periodic survey of
HRD climate, training to police personnel, meaningful performance appraisal
system, purposeful career, planning system consisting of central career counseling
and training information cell, restructure the compensation system, sufficient
welfare facilities, set-up regional police preparatory schools, for future human
resource, recruit HRD professional and one-day workshop for all policemen on
continuous basis. Researcher has suggested redesigned models for selected HRD
activities.

However, the research work would have been more effective with the focus on
HR. Planning, organization development and change, quality circle, employee
counseling, team work, different types of training 360 degree performance
appraisal and use of I.T. in HRD practice.

P.R. Hiremath (1999) in his Ph.D., thesis “A study of Supervisory training and practices in selected industries in Maharashtra’ advised for National Policy on training and development similar to Britain, France and Japan. He further advised that top management selectively choose areas of training and support the training activity, National Training Centre be established in imported cities in India with all facilities, trainer must be an outside expert- University person, also teacher. Manager mix should be made – the teacher should work in the organization for part – time and Manager should teach some topic in institutes organization should give more attention on systematic development of supervisor for future, organization should establish training committee, variety of training methods should be adopted and continuous evaluation though T & D. Officer should be done. The research work would be more fruitful with the focus on use of computer, internet and web based training to employees, use of CD-Rom techniques and electronic media in the training program and its linkage with performance appraisal, career planning and development activities of supervisor. (49)

Dr. Carter McNamara (1999) in the article management development planning, reported that management development is a planned effort that enhances the learners capacity to mange organizations. According to the author while designing a management training plan one should determining his/her learning objectives and activities, develop any materials required. Plan implementation of management training plan, evaluate management training plan and experience and follow-up after completion of plan. (50)
(08) Rongola Suresh Kumar (2000) In his Ph. D. theses, “Managerial and executive training programs and their impact on productivity in selected Industrial Units in Maharashtra reported that improvement need to be made in training method, organizations training course and in training sills. He expressed need for accurate and systematic record system of training performance appraisal results, Researcher had covered only training performance appraisal and career planning and systems of HRD. It would be more effective with the focus on Computer-aided systems in it. (51)

(09) Trilok Kumar Jain (2000) in his article, “Benchmarking”. Another Tool in the HRD Toolkit for organization Development” reported the concept of benchmarking which is a comparison of an organization with its competitors organization, so as to identify areas of improvement. It is similar yet different from, many other popular techniques like BPR, TQM, etc. Implementation of benchmarking depends on appropriate method, HRD approach and training and development, Benchmarking uses a lot of idea, facts and information it its process. Right interpretation of data and facts is essential. It is neither invention of new method of working nor copying a competitor in its totality. It is developing you, based on study of the best practices. Empowerment of people , combined with orientation about the theme of benchmarking are central for effective implementation. It is excellent to share knowledge, even with competitors. It is essential to open up attitude and approach towards broader learning. (52)

(10) D. T. Chavare (2001) in his Ph. D. Thesis, ‘A study of Human Resource Development in vocational Education Institutions . In Western Maharashtra suggested a uniform policy for recruitment in Western Maharashtra. He strongly demanded that advertisement should be given in marathi Newspapers, vocational education staff selection commission should be formed and vocational education based training should be arranged. The researcher had discussed be aspect of
HRD such as recruitment, training, development, organization development, reinforcement and career planning.\(^{(53)}\)

(11) Dr. Rajinder S. Aurora and Nitin G. Vazirani (2001) in their book entitled “management and Human Resource Development” reported subsystem as human resource planning (HRD) job analysis, recruitment, selection with different sources and process of selection, training concept and methods and performance appraisal.\(^{(54)}\)

As the title of the book is HRD it would have been more informative with consideration of other subsystems such as career planning and development organizational change and development, employee counseling etc.

(12) Mousumi Bhattacharya (2001) in his article “Technology & individual worker at the Workplace” focused on organization change and development. Author reported that technology is the need of changing time the idea of adoption of new technology and downsizing the organization should be successfully introduced by participating all employees. The articles would have been more fruitful with the focus on the positive motivation, sharing benefits of change organization development by changing employee attitude beliefs, values organization structure open communications, etc.\(^{(55)}\)

(13) Dr. Biswajeet pattanayak and Ms. Phalgu Niranjana (2001) in their HRD articles Assessing competency The scientific way reported that competencies of human resources organization need to be assesses and developed scientifically competency is basically combination of knowledge, attitude and skills which prepare an individual for many tasks and jobs for life. The author has reported essential features for an assessment center which are job analysis, multiple
assessment techniques, situational exercise. Behavioral responses, behavioral observations, multiple assessors, trained assessor and integration of observations.\(^{(56)}\)

However the article would have been more informative with the use of information technology in assessing competencies of human resource.

\((14)\) M. K. Panchal (2002) in his M. Phil. Dissertation, ‘A study of Human Resource Management practices in Life Insurance Corporation of India with special reference to Solapur District’ reported that, there should be uniformity in recruitment process for all the categories of personnel further he stated that training should be arranged frequently and especially computer training is necessary for employees, again LIC should concentrate on employee welfare facilities such as canteen facility, recreation facility etc.

Here the researcher had surveyed only selected HR policies such as manpower planning, recruitment, selection, training and development and absenteeism. It would have been better research work and a fruitful result for LICV with a touch of other HRD Practices.\(^{(57)}\)

\((15)\) Dr. Vidhya A. Salunkhe (2003) in her book, ‘Human Resource Development in Banks’ strongly reported that H.R. policies of each bank should be uniformly reoriented, there should be special training program, for bank employees, transparent performance appraisal system and post appraisal interview and separate ‘Career counseling and training information cell. The bank may evolve appropriate modification to the existing mechanisms of employee welfare and have HRD Professional. The bank would have been more informative with its focus on organization development W. P. M. Q. C. teamwork and use of it.\(^{(58)}\)

However, the book would have been an outstanding one with the use of computer internet, web based system for effective functioning Human Resource Development subsystems.

(17) Pradip N. Khandwale (2004) Ex. Director IIMA and now working as a Management consultant in the research article, ‘competencies for senior Manager Roles’ reported managerial competencies into six groups as competency related to contextual sensitivity, management of initiatives, introduction to innovations resilience and effective coping though problems solving, effective task education in interpersonal competences and leadership. Thus HRD managers can inculcate above competencies among their manager by management development program.\(^{(60)}\)

(18) Gordon L. Simpson, Toronto Managing partner of the Marsis Development Corporation (2004) in his article” Performance Appraisal – an important Managerial Responsibility” quoted that performance appraisal should be viewed as a beneficial process in HRD. It should be accepted as a normal management responsibility to review the performance of all employees and should also discuss its results with them regularly. According to the author the key elements of an effective performance appraisal system are – clearly defined performance
standards, an effective monitoring system, regular discussion of performance and development of appropriate action plans as a consequence of the appraisal. These elements will help employees to ensure accept and yield more desired benefits. The article would have been more effective it focused on involvement of employee in goal setting effective appraisal system, computer aided system, etc.\(^{(61)}\)

(19) Dr. Akula Rajagopalrao (2004) conducted “an Empirical Study on Employees Attitude Towards Training & job satisfaction in Urban Co-operative Banks in Bangalore City” which reported that management should change its outlook towards training and should provide customer oriented training. The researcher found that most of the employees were not given orientation program at the time of placement and the employees expressed that training is necessary for efficient performance. The present research work indicated that acute need of “Training” for better performance.\(^{(62)}\)

(20) Boris Groysberg, Ashish Nanda and Nitin Mobria (2004) professors of business administration in Harvard Business School, Boston completed an in depth study of 1052 Star Stock analysts who worked for 78 investment banks in U. S. from 1986 to 1988. They reported in their articles named, ‘The Risky business or Hiring Start’. That companies hire starts when the stars / uster fades, the group’s performance slips and the companies valuation suffers.\(^{(63)}\)

The drivers of the leadership, internal network, training and teams. An executive’s performance depends on both his/her personal competencies and also on the capabilities of the organizations. The authors are of the opinion that, in business the only viable strategies to recruit good people develop them and retain as many starts as possible. It supports the present study as recruitment is one of the sub-systems of Human Resource Development.
(21) Shirley Tracy (2004) in his article, “Recruitment and selection of Staff making the Best “Purchase Decision” Stressed on, the importance of competent recruitment in business. He explained the advantages of competent recruitment as employees with right knowledge, skills and attitude to work, the right fit for the role and have objective measurement of highest degree than subjective one. He reported that the key components of successful recruitment are, a good quality description of the position, a behavioral event interview, selection panels staffed with competent recruiters, spread sheet into which interview results can be entered and computed, assessment using instruments intellectual, technical, psychological and reference checking.  

(22) Gayatri Ramnathan (2004) in her article entitled, “The culture of change “reported that catalyzing change in corporate cultures by managing people and talent seems to be better to the new mantra on the Indian corporate landscape. Management should develop inclusive and participative culture though better people management using 360 degree feed back system to create a feeling of trust in organization and change from directive based top-down approach to a participative approach.  

However the article would have been more fruitful with the touch to positive motivation, sharing the benefits of change, career planning and training.  

(23) Swapnil Sawant (2004) Director, work sphere architects (India) Pvt. Ltd; in his article ‘Space Age’ emphasized on quality of work life parameter of HRD. He reported that, every organization should create an inspiring environment that would motivate people to perform better. I order to boost efficiency and maximize employee comfort, a 6,500 Sq. ft. area should accommodate just 90 people with
decent common facilities - conference room, meeting room, cafeteria, server room an electric room and a reception.\(^{(66)}\)

(24) Neha Sharma Sara (2004) in her article, “In the Line of Hire”, strongly stressed the point that hiring gifted talent is the most crucial task whether one is building from zero or adding to an already expanding organization. She further stated that a mistake on the people side is more critical than any financial mistake. For the organization to derive long-term value from the candidate, it should be able to make their recruitment process extremely effective. An International Bank, head quartered in Europe was investing significant amount of time & money in recruitment and selection of its graduate intake. However, the author should have considered the use of computer in hiring process and internet is an important source for getting right proportionate of candidate for hiring.\(^{(67)}\)

(25) Priya Sharma (2004) of HR perfect Relations, in her article, “shaping Corporate Culture” reported major constructions towards meeting the goals and objectives of the organizations, as a visible aspect of culture includes architecture and décor, dress codes the organizational processes, structure and rituals, symbols and celebrations. Understanding culture in a objective manner gives a business advantage, not understanding it can prove fatal and organization will be a peril. Corporate cultures are not one size fit. It depends on the company’s business goals and can be developed only though trial and error. The author was of the opinion that shaping corporate culture is the need of hour and could be inculcated among the employees by effective HRD system.\(^{(68)}\)

(26) Amit K. Chakraborty (2004) in his research article, “Job satisfaction does not solely depend on the Nature of Job. ‘A case Study” reported that, job satisfaction of teacher hold with nature of job, institutional scenario such as infrastructures, work culture, welfare amenities and standard of institution, facilities such of
library and transport, salaries and standard of students. He had conducted the study o educational institutions located within the jurisdiction of Katwa Municipality in the district of Burdwan, West Bengal and collected the data from twenty teachers and one hundred twenty five students through door-to –door investigation. He concluded that there is notable relationship between job satisfaction and various parameters of job. The researcher was of the opinion that, HRD subsystems help to improve the job satisfaction of employees.\(^{(69)}\)

(27) Ganesh S. Mani (2004) in the article ‘Succession Planning’ reported that a growing number of companies are recognizing the value of successful planning and they are expanding the concept from one traditionally followed organization to another organizations wide managerial positions rather than only senior level positions. They should be flexible enough beyond organizational charts and also use it as a comprehensive change, succession planning is an important management tool that helps the organization to identify gaps in talent and feel them more effectively. The researcher has concluded that effective succession planning makes successful Human Resource Planning which is one of the important sub systems of HRD.\(^{(70)}\)

(28) Dr. Nourisha Wells (Jan 14, 2005) in his article ‘Continuing Education Best Rote to Career Advancement’ reported that staying on current skill required to advance in your career has taken on new meaning in today tumultuous job market. A failure to keep learning could mean stagnation in your career. You must incorporate continuing education into your career plan to remain competitive. At the heart of continuing education is the goal to keep you updated on the skill, trends, practices and principles governing a particular industry. Researcher was of the opinion that training of employee is an investment and more educated employee tends to be more productive for the organization. However, continuing education is the need of hour, and which is the soul of Human Resource Development.\(^{(71)}\)
Dr. V. M. Selvaraj & M. Muthu Devakani (2005) in their article entitled “Human Resource Development in Co-operative Milk Society, Tirunelveli” concluded that the management of an institution should conduct job satisfaction survey at least once in two years. This would enable the management to take steps to improve job satisfaction of their employees and improve HRD climate. The author have suggested that management must take responsibility to aim and equip their officers and clerks check if salaries of the employees are periodically revised, the superiors should grant due recognition on the basis of a fair performance appraisal and ob satisfaction should be an important factor related to variables like job – involvement, area , organization and commitment. The authors have considered HRD activities related to employees job satisfaction level.\(^{(72)}\)


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