CHAPTER-V

HUMAN RESOURCE DEVELOPMENT PLANNING
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In the preceding chapter, the reader has been introduced to the concept and function of human resource development. This chapter describes some aspects related to the planning and organising of HRD system.

PLANNING THE HRD SYSTEM

Every organisation that hires people to carry out its work, whether it be a business, a school, a government department or a hospital, needs a human resource development plan in which various phases of HRD work are tied together into an integrated programme.

The HRD Plan must incorporate information on the following subjects:

(i) HRD Philosophy.
(ii) HRD sub-systems.
(iii) HRD Objectives.
(iv) HRD Policies, and
(v) HRD action plans.

HRD PHILOSOPHY

Perhaps the most fundamental part of an HRD plans that which deals with HRD philosophy. It represents those basic beliefs, ideals,
principals and views which are held by the management with respect to
the development and growth of its employees. A well established HRD
philosophy plays two important functions. First, it gives rise to what one
may call 'style of management'. A manager develops his practices on the
basis of his philosophy. Second, it makes organisational goals more
explicit. For example, in organisations that have unshakable belief in the
development of human potential through profit may still be the most
important goal, investment in human resources also becomes a powerful
sub-goal.

Following beliefs are essential for the success of any HRD
programme.

1. Human beings are the most important assets in the
organisation.

2. Human beings can be developed to an unlimited extent.

3. Employees feel committed to their work and the organisation if
the organisation develops a feeling of 'belonging' in them.

4. Employees are likely to have a feeling of 'belonging' in them if
the organisation adequately cares for the satisfaction of their
basic and high-order needs.

5. Employees' commitment to their work increases when they get
opportunity to discover and use their full potential.

6. It is every manager's responsibility to ensure the development
and utilisation of the capabilities of his subordinates, to create
a healthy and motivating work climate, and to set examples for
subordinates to follow.
7. The higher the level of a manager the more attention he should pay to the HRD function in order to ensure its effectiveness.

8. A healthy and motivating climate is one, which is characterised by openness enthusiasm, trust, mutuality and collaboration.

Guided in its HRD programme by the philosophy and ideas of its founder Jamshedji Tata the Tata Iron and Steel Co. is one example of an ideal HRD philosophy. It believes that it can effectively discharge its obligations towards its employees only:

(i) by realistic and generous understanding and acceptance of their needs and rights and enlightened awareness of the social responsibility of industry;

(ii) by providing adequate wages, good working conditions, job, security, an effective machinery for speedy redressal of grievances, and suitable opportunities for promotion and self-development;

(iii) by promoting feelings of trust and loyalty through a humane and purposeful awareness of their needs and aspirations; and

(iv) by creating a sense of belonging and team spirit through their close association with management at various levels.

Another excellent example of a company's HRD philosophy is provided by the well-known Indian Tobacco Co. This company has from its original business of cigarettes and tobacco, diversified into several new areas such as cottage sector products, edible oils and oilseeds. The group employs over 15,000 people. Following is the company's statement on its HRD philosophy.
HUMAN RESOURCE PHILOSOPHY OF
INDIAN TOBACCO CO. LTD.

The human resource philosophy statement of the company lists seven cardinal beliefs as under.

1. **Self Managing Resource.** We believe that the human being is a fundamentally different and unique resource in that he/she is simultaneously a source, a resource and the end of all economic and social activity. He is the means as well as the purpose. He is capable, willing, and in the normal course of evolution, developing.

2. **Potential.** We believe in the inherent potential of people. There are different kinds and degrees of potential which can be developed and utilised in the context of task challenges, responsibility and commitment.

3. **Limitations.** We believe that any apparent limitations in people are the result of a variety of circumstances and factors and can be overcome with support, awareness and correction, following which, the potential has a change a flower again.

4. **Quality of work life.** We believe that ITC as a business institution can provide a high quality of work life for all its members through opportunities for a meaningful career, job satisfaction and professional development. Through this ITC members will contribute to quality of life in their interface with society.

5. **Meritocracy.** We believe that people accept meritocracy as a just and equitable system, and contribute best under conditions of open opportunities and challenges and different rewards commensurate with performance.

6. **Membership.** We believe that people can blend harmoniously the components is their membership of ITC, namely, leadership, fellowship and peership.

7. **Actualisation.** We believe that the designs, implementation and update of human resource management systems, enhancement of skills and creation of an enabling climate will facilitate the self actualisation of us as individuals and ITC as a valued business institution."
HRD Sub-Systems

After laying down the HRD philosophy the plan must specify the various sub-system or mechanisms which are to be used. We have seen either that there are 12 sub-systems, which are generally used for purposes of HRD. Of these, training is considered to be the most vital sub-system so much so that many organisations consider it as synonymous for HRD. This however, is not correct because training alone is not enough to bring about the desired change in an organisation’s culture. It needs to be inevitably backed by other sub-systems to produce the desired change.

HRD Objectives

Having described the HRD sub-systems, the next important steps are to lay down the HRD objectives of goals. These are the ends towards which all HRD activity is planned. In defining these ends consideration should also be given to the objectives of other departments and of the company as a whole and to social objectives. It is bad enough when goals do not support and interlock with each other. It is tragic when they interfere with each other. What is needed is a ‘matrix’ of mutually supportive goals.

In general, the objectives of most companies are service, efficiency and profits. The objectives of employees are good wages and working conditions, economic security, opportunity for advancement and self-improvement. The objectives must be so described that they become ‘verifiable’ or ‘operational’. If there is some way of determining whether and to what extent a goal is being realised by a particular sequence of activities then the ‘verifiability’ is to put objectives in quantitative terms.
Even when the objective is highly qualitative and, therefore, cannot be quantified, it can be made verifiable by spelling out those operational sub-objectives which have some plausible linkage to the basic objective. For example, if the objective "to maintain high morale and better human relations" has a low degree of verifiability or operationality, a few operational sub-objectives may be laid down such as (i) reducing the absenteeism and turnover rate of the organisation, (ii) requiring the various supervisory levels to stick to a time-bound procedure of settlement of grievances, and so on. The objective of maintaining high moral and better human relations would then be measured in terms of these more tangible criteria.

**HRD Policies**

The next important part of an HRD plan is that which deals with policies. These are general statements, which guide thinking and action in decision-making. Being only guides to thinking and action in decision-making, they have always room for discretion. Otherwise, they would be rules.

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. In their absence, decisions are taken on an ad hoc basis which results many times in improper emphasis being given to significant characteristics, criteria, or circumstances of a problem.

HRD polices can be formulated to cover the following subjects:

(i) Selection.
(ii) Training.

(iii) Compensation.

(iv) Arrangement for work.

(v) Employee service, and

(vi) Industrial relations.

**Selection** - The selection policy of an organisation should provide clear guidelines on the following points:

- reservation of seats for scheduled castes and scheduled tribes.

- employment of local people or family relation or of people working in competing firms.

- promotions from within or outside the organisation.

- preference to be given to handicapped person.

- the basis (length of service or efficiency) to be followed in discharging an employee.

- role, if any, to be given to the union in the recruitment and selection of workers. In some western countries some organisation have 'closed shop' clauses in their collective agreements with the union. This means that the organisation agrees to hire only the members of the union and recruitment of non-members is ruled out.
preview of the job to be given to applicants. Some organisations give an unrealistic preview. This is not a correct policy. The applicants should be informed about both the positive and negative aspects of their jobs. For example, they may be told that they will be supervised quite closely in their first job or that some aspects of their jobs will be boring, and so on. Researches have shown that the disclosure of such unfavourable information about the job to the applicants does not materially affect their job-acceptance rate.

- expenditure to be incurred on selection. This may include advertisements, test, training and travelling expenditures.

**Training** - With regard to training, the basic policy issues to be decided are:

- How are training needs to be decided?
- How should training curriculum be designed?
- How should follow-up and evaluation be done?
- How should post-training support be given?

**Compensation** - On the question of compensation, the major policy issues to be decided are:

- the relation if wages to the market and to the industry rates, i.e. whether the employees are to be paid a higher or lower wage level than that prevailing in the community or industry.
- The relation of wages paid to different employees within the company, and

- Recognition to be given to differences in individual performance.

**Arrangement for work** - Here the employer should formulate policies about hours of work, number and duration of rest pauses, vacations and working conditions.

**Employee Service** - Here the employer should formulate policies about organising co-operative societies, festival celebrations, recreation centres and sports and family budgeting.

**Industrial Relations** - Here the employee should explicitly express the extent of his faith in collective bargaining and the right of workers to decide the union and the union leader they want. He may also lay down the organisation policies regarding third party (e.g., police) intervention in industrial disputes.

**HRD Action Plans**

In the last stage an action plan must be prepared for every sub-system of HRD. It must give details about the way the sub-system is going to be implemented. It must also give information about the phases of the programme and the sources from which it is going to be funded.

**ORGANISING THE HRD SYSTEM**

HRD can be more productive and less costly if it has some kind of organisation structure, i.e., a formalised intentional relationship between various sub-systems and roles. As believed by some people, formalisation
does not always make a structure inflexible nor does it make the structure incapable for taking advantage of creative talents. On the contrary, it makes the individual authority and bounds of discretion more clear and thus channelises all human efforts in the right direction. Organising is then, a process by which the manager brings order out of chaos, removes conflicts between people over work or responsibility, and establishes an environment suitable for teamwork. Implicit also is recognition of human factor that jobs (or roles) must be designed or redesigned to fit people and that people must be motivated.

**Forms of HRD Organisation**

The HRD function in an organisation can be structured in 4 different ways depending upon the size of the organisation, nature of its activities, the structure of the organisation and so on. These four ways are:

1. Performing the HRD function through the existing Personnel Department;

2. Performing the HRD function through a separate department;

3. Performing the HRD function through a committee or a task force; and

4. Performing the HRD function through the Chief Executive Officer.

If the existing personnel department of an organisation is already performing the HRD functions there is no need to create a separate HRD department. But for the purposes of role clarity it is worthwhile to
separate those individuals who are performing HRD functions from those who are doing administrative personnel functions. For this purpose the former group can be officially designated as the HRD group within the Personnel Department. But most of the time it may be found that although the existing personnel department has the mandate to perform HRD functions, it does not have the necessary competence, credibility and motivation. In such a case it should be remembered that although competence and motivation can be acquired or developed it is not easy to acquire credibility. Thus, it may become imperative for an organisation to start a new department with HRD title.

Where separate HRD department is being created special consideration should be given to its size. It is always advisable to keep the department’s size small with flat structure and low profile. All members of the department may be designated as HRD managers though they may be given different salary grades and responsibilities for carrying out specific tasks. This is necessary for keeping the HRD climate envy-free. The HRD department must have direct structural link with the chief executive to facilitate easy reporting and action and to keep the HRD function going on even when there is change of headship. The department should also have strong linkages with all its sub-systems and other departments in the organisation.

In medium-sized and small organisations the HRD function may be assigned either to a committee or a task force or to the chief executive officer. In the former case the credibility of the members, who are generally line managers with HRD as their additional responsibility, is very important for the effectiveness of the team. Every member of the team should have positive attitude to the HRD function and should be trained sufficiently in HRD skills.
In organisations where CEO is assigned to perform the HRD function, there are two risks. One, the HRD function may come to be viewed with considerable scepticism by the lower levels of the organisation. Two, the CEO's other activities may leave him with very little time for HRD work. In order to avoid this risk the CEO should appoint some senior person as a second man to look after the HRD activities. He should also prepare a checklist of HRD activities and keep reviewing this list to remind himself of his HRD duties.

Points to be remembered in designing a new Human Resource Development System

The following points must be kept in mind at the time of designing a new HRD system:

1. The system's main aim should be the overall development of the total organisation. The system should focus on improving the organisation's diagnostic and problem-solving capabilities and on making the organisation more open so that maximum commitment of the employees may be obtained.

2. The system should take into account the various contextual factors and the existing culture of the organisation. Under contextual factors we may include the size and technology of the organisation, the skill level of its people, organisation's support to HRD and availability of outside help. A small organisation can combine several HRD functions into one whereas a large organisation may require each function to be dealt with separately as a specialised sub-system within the HRD system. Similarly, the type of work being done in the
organisation and the technology followed in the organisation also influence the design of the HRD by emphasising some components of HRD much more than others. For example, administration of bonus may need to be given special consideration as a sub-system in an industrial organisation but not so in a university or government department.

In organisations where people's skills are low the HRD need to be introduced slowly. Organisation's support determines the amount of resources, which are available for the introduction of HRD, and through this the design of the system. Availability of expert help from outside ensures proper monitoring of the system.

If the HRD is being designed as an intervention to change the existing culture of the organisation, it is necessary to do enough careful planning, monitoring and follow-up. It may be helpful to do force field analysis of the facilitating and inhibiting forces. After the force field analysis has been completed, forces which are in favour of the change may be strengthen while designing the system. For example, if the culture of an organisation favours informality, openness, objectivity, etc., the same can be strengthened by the proposed new system.

3. In designing the human resource development system enough attention should be paid to building linkages between the various sub-systems. These linkages provide feedback to the various sub-systems. The Human Resource Development system in Larsen & Toubro perhaps best illustrates the linkages which need to be created between the various sub-systems of HRD (See Appendix). For example, the Performance Appraisal
sub-system of the organisation is linked with Data Storage, Potential Storage, Career Planning and Training.

Mechanisms commonly followed for establishing linkages and feed-backs are the setting up of standing committees for various purposes (with membership from various sub-systems and levels of the organisation), task groups, and ad hoc committees for specific time-bound tasks.

4. In designing a human resource development system mechanism for monitoring should also be provided for. A periodical review may be planned for this. Persons from other functions may also be taken in the review and assessment effort.

5. In designing the human resource development system, it is essential to see that its various sub-systems are introduced into the organisation in stages. Rushing the introduction of all sub-systems in one lot may limit the effectiveness of HRD. Each sub-system should be planned carefully, with sequenced phases built one over the other. This may include:

(i) Geographical phasing: introducing the system in a few parts of the organisation slowly spreading it to other parts.

(ii) Vertical phasing: introducing the system at one or a few levels in the organisation and expanding up or down gradually.

(iii) Functional phasing: introducing one system or sub-system, followed by other functions.
(iv) *Sophistication planning*: introducing simple forms of sub-systems, followed after some time by more sophisticated forms.

**Tasks of HRD Department**

1. The first and foremost task of HRD department is to come to grips with the existing philosophy and beliefs of the top management. If finds that these beliefs are running counter to the HRD philosophy it should *influence top management to change its beliefs*.

2. It *should supply necessary* inputs to the Personal Department or the top management for formulating the right type of personnel policies.

3. It should inspire line managers to constantly learn and develop.

4. It should continuously *design and experiment* with new methods to build the right type of HRD climate and achieve organisational goals. HRD should not be at the cost of these goals. Task orientation (in the form of increased productivity and profits) should come before human concern. It is because very few HRD managers put this emphasis that the credibility of their effort goes down.

5. It should effectively monitor the working of its various sub-systems and the state of the organisational climate by collecting feedback, organising review workshops and so on.
6. It should make efforts to win the confidence of employee unions by removing their distrust, fear and suspicion towards its activities and inspire them to work for its success.

HRD—Whose Responsibility?

Notwithstanding the staff role of an HRD manager HRD is the joint responsibility of line managers and HRD personnel. While the HRD departments can design and provide instruments or mechanisms for use by line managers, the line managers have the responsibility for using these instruments to develop their subordinates. If the line managers do not make demands on the HRD departments and do not take follow-up-action. HRD efforts in an organisation are not likely to succeed. Thus it is the responsibility of the line managers:

- To request the company’s HRD expert to design and introduce participatory systems like autonomous workgroups, quality circles, appraisal and review system, communication system, stress management programmes and so on.

- To implement various HRD mechanisms, identify the difficulties experienced in and the support needed for getting success.

- To analyse with the help of HRD manager the implications of various HRD mechanisms for generating a climate of mutuality, openness and trust in the organisation.

- To provide continuous on-the-job coaching to their subordinates and help them develop problem-solving skills.
- To invite outside experts to know about their experiences in the areas of HRD and O.D.

- To provide sufficient budget for HRD purposes.

**Attributes of HRD Manager**

HRD manager must possess the following attributes:

1. He should have *faith in the capacity of people* to change and develop at any stage of their life.

2. He should have *constant desire to learn and develop himself*. Some common ways are reading, experimenting, sharing experiences with others, attending conferences and visiting other organisations. However, he should not become so much obsessed with his own learning that the learning of others in the organisation begins to suffer. He must remember that the success of his function depends more on his correct attitude than on his high sounding qualifications.

3. He should have high *extension motivation*, i.e., a desire to help others. He should be prepared to sacrifice his own personal goals for group goals.

4. He should possess good *communication* skill to sell his ideas to others in the organisation.

5. He should be a *good listener*. 
6. He should be *proactive*, i.e., he should take initiative in introducing and implementing new ideas.

7. He should have *enough patience* to wait till his actions bear fruit.

8. He should be *free from bias*. He should soon shed his impressions about others, which he may form on the basis of any incidents.

9. He should have *leadership qualities*. He should be able to lead by personal example so that his preachings to others have credibility.

10. He should have *respect for and knowledge of others' functions* in the organisation. He should be able to work with others as a team. He should maintain good relations with every department including the top management. This, however, does not mean that he should blindly support all their actions. If he finds any of their actions threatening HRD values he must boldly oppose them.

11. He should have *knowledge and understanding of individual and group behaviour*.

12. *He* should have *professional knowledge* of the various HRD sub-systems, how they are designed, introduced and implemented.
Some Do's and Don'ts for HRD Manager

1. The HRD manager should never lose sight of his mission, which is to create a proper HRD climate. Many HRD managers unwittingly allow themselves to be lost in the routine jobs of recruitment, promotion, transfers, rewards etc. These functions do satisfy their ego and power needs but they leave hardly any time for creating HRD climate in the organisation.

2. The HRD manager should always be on his feet interacting with the employees and the line managers, knowing their problems, inviting suggestions and building rapport with them. Many HRD managers think that their job is simply to launch various sub-systems, starting, of course with performance appraisal. Once these sub-systems are introduced they think that their job is over. Then they sit back on their tables and indulge in all sort of paper work without caring to know what is going on in the minds of employees and line managers. This is wrong. In fact, they should spend most of their time in the field to get new ideas for correcting and improving the HRD system. At Steel Tubes of India Ltd. The HRD manager is selected by the workers, thus emphasising the point that he has to have the ability to take people along with him.

3. The HRD manager should not allow himself to be surrounded by sycophants. Once an HRD manager is known to have become close to the chief executive as a result of his direct access to him people start perceiving the HRD manager as a potential source of promotion and reward. They then begin playing on his time, telling him what they feel he should hear.
and not what is correct. Sometimes, people may even begin envying his power and may hold back cooperation and information from him.

4. The HRD manager should not overindulge in introducing HRD sub-systems at the cost of HRD spirit. He must always remember that these sub-systems are only the means and not the end. Therefore, they should not be unduly stressed. For example, the HRD manager should not waste his time in collecting information about how well the appraisal forms are filled, number of people rotated, number of people trained, number of programmes organised and so on.

5. The HRD manager (if he is invited from outside) must work for his early withdrawal. Unlike other managers he should not try to entrench himself permanently in the organisation. He should remember that his object is to develop the right organisational climate to such a level where his continuance becomes unnecessary. (In the beginning an external consultant may be necessary for a successful HRD effort because he not only brings expertise with him but can also objectively confront several issues in the organisation, which an internal person may find difficult to do. But in due course, the external consultant should withdraw from the organisation and the internal people should take over).

**HRD in Indian Industry**

Since the early 1970s when the concept of HRD first began to be recognised by some organisations in India, a large number of organisations in the country have begun to display an interest in HRD.
While many organisations appear to have simply relabeled their personnel departments as HRD departments or HRM departments to keep up with the fashions of the times, there are some which seem to have done considerable work in setting up HRD systems. On the basis of some studies done on this subject it can be inferred that the main factors behind the setting up of a separate HRD function in any organisation are the philosophy of its top management and the nature of its business. The more diversified the business of an organisation and the more the amount of faith and commitment of top management in HRD, the greater is the tendency to set up separate HRD departments. Some important organisations in our country which have introduced HRD are as under:

State Bank of India,
Bank of Baroda,
Larsen & Toubro,
Voltas,
Crompton and Greaves,
Indian Oil Corporation,
Steel Authority of India, and
Bharat Heavy Electricals.

From a study of 29 business organisations (5 from the public sector and 24 from the private sector) done by the Centre for HRD, Xavier Labour Relations Institute and the National HRD Network in 1987 the following information was revealed:

1. Of the 29 organisations studied, 12 (constituting about 35%) had separate departments to look after the HRD functions as distinct from
the traditional personnel administration and industrial relations function. Several others had only named or renamed their departments dealing with the conventional tasks, as HRD or Human Resource Management Departments.

2. The HRD function seemed to receive greater importance by organisations which had a diversified product range and differentiated multi-divisional structures because out of 6 such organisations as many as 5 had separate HRD functions. No significant relationship was found to exist between the HRD functions and such other variables as ownership (whether public sector or private sector), age (young or old organisation) and size (in terms of number of employees or sales turnover).

3. It was the philosophy of the top management of an organisation which as the main factor behind the setting up of a separate HRD function. Of the 12 organisations which had separate HRD function, 10 had direct formal linkages with top management. That is, in each of these 10 organisations, the head of the HRD department reported directly to the chief executive or to his assistant.

4. With the exception of training most other HRD activities such as counselling, performance appraisal etc., were found to be in operation only with regard to the managerial and supervisory cadres. A critical drawback was the failure to involve employee unions in HRD related activities.

In the end, it may be said that while a lot of progress has been recorded in the field of HRD in the last 25 years, there is a lot more that needs to be achieved. So far the efforts have largely been limited to large-sized profit organisations only. Even here the focus of all HRD activities
has been on executive development. Worker development has been mostly neglected. Service sector organisations and government departments still treat HRD as synonymous with training. Organisations in the small scale sector have not even thought of HRD.