CHAPTER- 1

HUMAN RESOURCE MANAGEMENT AND HUMAN RESOURCE DEVELOPMENT- A CONCEPTUAL FRAME WORK
1.1 CONCEPT OF HRM.

Human Resources (HRM) is concerned with the human beings in an organization. It reflects a new philosophy, a new outlook, approach, and strategy, which views an organization’s manpower as its resources and assets, and not as liabilities or mere hands. Human resources are assuming increasing significance in modern organization. It is well known fact that majority of the problems in an organizational setting are human and social rather than physical, technical or economic. It should be remembered that the modern technology can be improved but without human factors, it cannot be possible to run both of them efficiently and effectively. It is the human factor which can bring potential into reality. It is the only human factor, which can change the work ways, thought ways and act ways of the people who are the major source in the organization setting. It is the people who vibrantly constitute organization that is the most important. Therefore, the needs for development of human resources become inevitable. It is true that productively is associated with the nature of human resources and their total environment consisting of interrelated, inter dependent and inter-acting economic and non-economic factors.

Resources are the means which can be drawn on. They are collective means for production, support and defense, as well as a source of strength and aid. Human resources are human wealth or means that can be drawn on. Human capital or manpower resources of a company can be treated as its human resources. It can otherwise be understood as the resourcefulness of the human beings or people available for an organization.

According to Leon C. Megginson, the term human resources can be thought of as “the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization”. It is the sum total or aggregate of inherent abilities, acquired knowledge and skills
represented by the talents and aptitudes of the employed persons in an organization.

As Gainburg point out, Human Resources are the keys for economic development, disguised unemployment, obsolescence of skills, lack of work opportunities, poor personnel practices. These resources account for a large part of national output and these exist wide scope for enhancing productivity through their proper development. The physical resources will not give results unless the human resources are applied to them. Moreover, at the enterprise level, there is also an urgent need for effective utilization of human resources to organizational goals. Furthermore, the human resources are also important at the individual level of analysis, obviously, their development as a source of economic status and they tend to have higher standards of living. The failure to recognize this fact causes immense loss to the individual enterprise and the nation as a whole.

1.2 WHAT IS MANAGEMENT?

Management is a universally necessary function. It has risen today as the central activity of our age and economy as a powerful and innovative force. It is found in homes, churches, government and economic undertakings of people.

Koontz and O’Donnell\(^1\) state that “management means getting things done through and with the people.

‘HAIMANN’\(^2\) observes that “management is the function of getting things done through people and directing the efforts of individuals towards a common objective”

Further we can segregate management into four important branches which are as follows.

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• MEANING AND DEFINITION OF HRM.

Broadly, there are three meanings attached to the concept of HRM.

I. Persons working in organizations are regarded as a valuable source, implying that there is a need to invest time and effort in their development.

II. They are human resources which mean that they have their own special characteristics and, therefore, cannot be treated like material resources. The approach focuses on the need to humanize organizational life and introduce human values in the organization.

III. Human resources do not merely focus on employees as individuals, but also on other social realities, units and processes in the organization. These include the role or the job a person has in the organization, the dyadic unit (consisting of the person and his superior), the various teams in which people work, inter-team processes, and the entity of the total organization.
“HRM is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organisations and the employees to achieve their objectives.”

According to Edward Flippo\(^3\), “Human Resource Management is the planning, organizing, directing, directing, controlling of the procurement, development, compensation, integration, maintenance and separation of human resource to the end that individual organizational and societal objectives are accomplished.”

According to French\(^4\), “Human Resource management is the recruitment, selection, development, utilization of accommodation to human resource by organization.”

HRM can be defined as managing (planning, organizing, directing and controlling) the functions of employing, developing and compensating human resources resulting in the creation and development of human relations with a view to contribute proportionately (due to them) to the organizational, individual and social goals.

“HRM is concerned with the people dimension in management. Since every organisation is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organisation are essential to achieving organisational objectives. This is true, regardless of the type of organisation- government, business, education, health, recreation, or social action.”

1.3 INTRODUCTION OF HUMAN RESOURCE MANAGEMENT

Simply put, Human Resource Management (HRM) is management functions that helps managers’ recruit, select, train and develop members, for an organization. Obviously, HRM is concerned with the people’s dimension in organization. In simple sense, human resources management means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirements with a view to contribute to the goals of the organization, individual and the society. HRM is a strategic approach to the acquisition, motivation, development and management of the organization’s human resources.

In its essence, HRM is the qualitative improvement of human beings who are considered the most valuable assets of an organization - the sources, resources, and end-users of all products and services. HRM is, no doubt, an outgrowth of the older process and approach. But it is much more than its parent disciplines viz., personnel management, and behavioral science. HRM is also more comprehensive and deep-rooted than training and development. HRM is a production model approach to personnel management.

The concept of HRM emerged in the mid 1980s against the background of the works of famous writers on management, like Pascale and Athos (1981) and Peters and waterman (1982), who produced lists of the attributes that they claimed characterized successful companies.

Human resource management (HRM), or human resource development, entails planning, implementing, and managing recruitment, as well as selection, training, career, and organizational development initiatives within an organization. The goal of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees while simultaneously improving the work life of employees and treating employees as valuable resources. Consequently, HRM encompasses efforts to promote
personal development, employee satisfaction, and compliance with employment-related laws.

To achieve equilibrium between employer and employee goals and needs, HRM departments focus on these three general functions or activities: planning, implementation, and evaluation. The planning function refers to the development of human resource policies and regulations. Human resource managers attempt to determine future HRM activities and plan for the implementation of HRM procedures to help companies realize their goals.

Implementation of HRM plans involves four primary activities: acquisition, development, compensation, and maintenance. Acquisition entails the hiring of workers most likely to help a company attain its goals. The development function encompasses the training of workers to perform their tasks in accordance with company strategy. This activity also involves company efforts to control and change employee behavior via reviews, appraisals, incentives, and discipline. Compensation covers the payment of employees for their services. Maintenance requires structuring labor relations—the interaction between a company's management and its unionized employees—and ensuring compliance with federal and state employment laws. Finally, the evaluation function includes the assessment of a company's HRM policies to determine whether they are effective.

- **HISTORY**
  Key principles and practices associated with HRM date back to the beginning of mankind. Mechanisms were developed for the selection of tribal leaders, for example, and knowledge was recorded and passed on to youth about safety, health, hunting, and gathering. More advanced HRM functions were developed as early as 1000 and 2000 B.C. Employee screening tests have been traced back to 1115 B.C. in China, for instance. And the earliest form of industrial education, the apprentice system, was started in ancient Greek and Babylonian civilizations before gaining prominence during medieval times.
Since the inception of modern management theory, the terminology used to describe the role and function of workers has evolved from "personnel" to "industrial relations" to "employee relations" to "human resources." While all of these terms remain in use, "human resources" most accurately represents the view of workers by contemporary management theory: as valuable resources managed in the same manner as other valuable resources, according to the authors of Human Resource Management.

HRM is relatively new and developed as a part of management. It is the task of dealing with human relationships, moulding and developing the human behavior and attitude towards the job and organizational requirement. The term human resource can be thought of as “the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce as well as the value, attitudes and beliefs of the individuals involved.

The Human Resource are assuming increasing significance in the modern organization. It is a well known fact that majority of the problems in an organizational setting are human and social rather than physical, technical or economic. Modern technology can be imported, national efficiency can be improved but without human factor it cannot be possible to run both of them efficiently and effectively. It is the only human factor, which can change the work ways and constitutes vibrantly the organization. Therefore the need for development of human resources becomes inevitable. The failure to recognize this fact causes immense loss to the individuals, enterprise and the nation as a whole. Human Resource Management is defined as “the art of getting things done through people”.

Thus HRM means to get the work done by the employees by managing them and by satisfying them.

Human Resource Management is defined as “the field of human behaviour in which managers’ plan, organizes, staff, direct and control human, physical and
financial resources in an organized effort, in order to achieve desired individual
and group objectives with optimum efficiency and effectiveness”.

Human Resource Management is defined as “the field of management which
has to do with planning, organizing, directing and controlling the functions of
procuring, developing, maintaining and utilizing a labour force, such that the-
(a) Objectives for which the company is established are attained economically
and effectively (b) objectives of all levels of personnel are served to the highest
possible degree (c) objectives of society are duly considered and served.”

- HUMAN RESOURCE MANAGEMENT

Human Resource Development, Organization Development and Industrial
Relations are three important aspects of Human Resource Management in
organizations. Each has their own specialties. They are playing an active role in
developing people and improving effectiveness. It encourages HRD staff to
create a development culture and ensures that they have a reasonably satisfied
and committed people. Today HRM is the crux of management. It is now
globally recognized that managing human resources is the basic job of
management. It is more recognized in recent time not only in developed
countries but also in developing countries like India. Our country has second
largest manpower in the world. Therefore, Indian management is now on the
threshold of revolutionary change in the practice of management particularly
with the country becoming a member of WTO. HRM is now everybody’s
concern. With the advent of liberalization, privatization and globalization of
business, HRM has now emerged as the most spectacular aspect of
management.

Different terms are used to denote human resource management. They are
labour management, labour administration, labour management relations,
employee – employer relations, industrial relations, personnel administration,
personnel management, human capital management, human asset management,
and the like.
Human resource management means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirements. Human resources management is the central sub-system of an organisation and it permits all types of functional management, such as production management, marketing management and financial management. The human resource management consists of interrelated, interdependent and interacting physiological, sociological and ethical components.

1.4 THE ROLE, POSITION, AND STRUCTURE OF HRM DEPARTMENTS

In Personnel Management, Paul S. Greenlaw and John P. Kohl describe three distinct, interrelated fields of interest addressed by the HRM discipline: human relations, organization theory, and decision areas. Human relations encompass matters such as individual motivation, leadership, and group relationships. Organization theory refers to job design, managerial control, and work flow through the organization. Decision areas encompass interests related to the acquisition, development, compensation, and maintenance of human resources.

HRM department’s responsibilities, other than related legal and clerical duties, can be classified by individual, organizational, and career areas. Individual management entails helping employees identify their strengths and weaknesses, correct their shortcomings, and then make their best contribution to the enterprise. These duties are carried out through a variety of activities such as performance reviews, training, and testing. Organizational development focuses on fostering a successful system that maximizes human, and other, resources. This important duty also includes the creation and maintenance of a change program, which allows the organization to respond to evolving outside and internal influences. The third responsibility, career development, involves matching individuals with the most suitable jobs and career paths.

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The positioning of HRM departments is ideally near the theoretic organizational center, with maximum access to all divisions and management levels. In larger organizations the HRM function might be headed by a vice president, while smaller entities will have a middle-level manager as head of HRM. In any case, because the HRM department is charged with managing the productivity and development of workers at all levels, the top HR manager ideally has access to, and the support of, key decision makers. In addition, the HRM department should be situated in such a way that it has horizontal access, or is able to communicate effectively with all divisions within the company.

The structure of HRM department differs according to the type and size of the organization that they serve. But many large organizations (including government, institutions, manufacturing companies, and service firms) organize HRM employee development functions around various clusters of workers—they conduct recruiting, administrative, and other duties in a central location. Different employee development groups for each department are necessary to train and develop employees in specialized areas, such as sales, engineering, marketing, or executive education. The same training department, for example, serves all divisions of the organization.

1.5 **HRM IMPLEMENTATION ACTIVITIES**

To fulfill their basic role and achieve their goals, HRM professionals and departments engage in a variety of activities in order to execute their human resource plans. HRM implementation activities fall into four functional groups, each of which includes related legal responsibilities: acquisition, development, compensation, and maintenance.

- **ACQUISITION**

  Acquisition duties consist of human resource planning for employees, which includes activities related to analyzing employment needs, determining the necessary skills for positions, identifying job and industry trends, and forecasting future employment levels and skill requirements. These tasks may
be accomplished using such tools and techniques as questionnaires, interviews, statistical analysis, building skill inventories, and designing career path charts. Four specific goals of effective human resource planning are:

- Sustaining stable workforce levels during ups and downs in output, which can reduce unnecessary employment costs and liabilities and increase employee morale that would otherwise suffer in the event of lay-offs?
- Preventing a high turnover rate among younger recruits.
- Reducing problems associated with replacing key decision makers in the event of an unexpected absence.
- Making it possible for financial resource managers to efficiently plan departmental budgets.

The acquisition function also encompasses activities related to recruiting workers, such as designing evaluation tests and interview methods. Ideally, the chief goal is to hire the most-qualified candidates without encroaching on federal regulations or allowing decision makers to be influenced by unrelated stereotypes. HRM departments at some companies may choose to administer honesty or personality tests, or to test potential candidates for drug use.

**DEVELOPMENT**

The second major HRM function, human resource development, refers to performance appraisal and training activities. The basic goal of appraisal is to provide feedback to employees concerning their performance. This feedback allows them to evaluate the appropriateness of their behavior in the eyes of their coworkers and managers, correct weaknesses, and improve their contribution. HRM professionals must devise uniform appraisal standards, develop review techniques, train managers to administer the appraisals, and then evaluate and follow up on the effectiveness of performance reviews. They must also tie the appraisal process into compensation and incentive strategies, and work to ensure that federal regulations are observed.

Training and development activities include the determination, design, execution, and analysis of educational programs. Orientation programs, for
example, are usually necessary to acclimate new hires to the company. The HRM training and education role may encompass a wide variety of tasks, depending on the type and extent of different programs. In any case, the HRM professional ideally is aware of the fundamentals of learning and motivation, and must carefully design effective training and development programs that benefit the overall organization as well as the individual. Training initiatives may include apprenticeship, internship, job rotation, mentoring, and new skill programs.

- **COMPENSATION**
  Compensation, the third major HRM function, refers to HRM duties related to paying employees and providing incentives for them. HRM professionals are typically charged with developing wage and salary systems that accomplish specific organizational objectives, such as employee retention, quality, satisfaction, and motivation. Ultimately, their aim is to establish wage and salary levels that maximize the company's investment in relation to its goals. This is often successfully accomplished with performance based incentives. In particular, HRM managers must learn how to create compensation equity within the organization that doesn't hamper morale and provide sufficient financial motivation. Besides financial compensation and fringe benefits, effective HR managers also design programs that reward employees by meeting their emotional needs, such as recognition for good work.

- **MAINTENANCE**
  The fourth principal HRM function, maintenance of human resources, encompasses HRM activities related to employee benefits, safety and health, and worker-management relations. Employee benefits are non-incentive-oriented compensation, such as health insurance and free parking, and are often used to transfer no taxed compensation to employees. The three major categories of benefits managed by HRM managers are: employee services, such as purchasing plans, recreational activities, and legal services; vacations, holidays, and other allowed absences; and insurance, retirement, and health
benefits. To successfully administer benefits program, HRM professionals need to understand tax incentives, retirement investment plans, and purchasing power derived from a large base of employees.

Human resource maintenance activities related to safety and health usually entail compliance with federal laws that protect employees from hazards in the workplace. Regulations emanate from the federal Occupational Safety and Health Administration, for instance, and from state workers' compensation and federal Environmental Protection Agency laws. HRM managers must work to minimize the company's exposure to risk by implementing preventive safety and training programs. They are also typically charged with designing detailed procedures to document and handle injuries.

Maintenance tasks related to worker-management relations primarily entail: working with labor unions, handling grievances related to misconduct such as theft or sexual harassment, and devising systems to foster cooperation. Activities in this arena include contract negotiation, developing policies to accept and handle worker grievances, and administering programs to enhance communication and cooperation.

- **EVALUATION OF HRM METHODS**

  One of the most critical aspects of HRM is evaluating HRM methods and measuring their results. Even the most carefully planned and executed HRM programs are meaningless without some way to judge their effectiveness and confirm their credibility. The evaluation of HRM methods and programs should include both internal and external assessments. Internal evaluations focus on the costs versus the benefits of HRM methods, whereas external evaluations focus on the overall benefits of HRM methods in achieving company goals. Larger human resource departments often use detailed, advanced data gathering and statistical analysis techniques to test the success of their initiatives. The results can then be used to adjust HRM programs or even to make organizational changes.
The authors of Human Resources Management posit four factors, the "four Cs," that should be used to determine whether or not an HRM department or individual program is succeeding: commitment, competence, cost-effectiveness, and congruence. In testing commitment, the HRM manager asks to what extent policies enhance the commitment of people to the organization. Commitment is necessary to cultivate loyalty, improve performance, and optimize cooperation among individuals and groups.

Competence refers to the extent to which HRM policies attract, keep, and develop employees: Do HRM policies result in the right skills needed by the organization being available at the proper time and in the necessary quantity? Likewise, cost-effectiveness, the third factor, measures the fiscal proficiency of given policies in terms of wages, benefits, absenteeism, turnover, and labor-management disputes. Finally, analysis of congruence helps to determine how HRM policies create and maintain cooperation between different groups within and outside the organization, including different departments, employees and their families, and managers and subordinates.

In addition to advanced data gathering and analysis techniques, several simple observations can be made that provide insight into the general effectiveness of a company's human resources. For example, the ratio of managerial costs to worker costs indicates the efficiency of an organization's labor force. In general, lower managerial costs indicate a more empowered and effective workforce. Revenues and costs per employee, when compared to related industry norms, can provide insight into HRM effectiveness.

Furthermore, the average speed at which job vacancies are filled is an indicator of whether or not the organization has acquired the necessary talents and competencies. Other measures of HRM success include employee complaint and customer satisfaction statistics, health insurance and workers' compensation claims, and independent quality ratings. In addition, the number of significant innovations made each year, such as manufacturing or product
breakthroughs, suggests HRM's success at fostering an environment that rewards new ideas and is amenable to change.

Besides evaluating these internal aspects of HRM programs, companies also must assess the effectiveness of HRM programs by their impact on overall business success. In other words, companies must link their evaluation of HRM methods with company performance to determine whether these methods are helping their business by increasing quality, reducing costs, expanding market share, and so forth. Ultimately, companies must make sure that they have the right amount of properly skilled employees performing tasks necessary for the attainment of company goals and that greater revenue and profits result from HRM efforts to increase the workforce and improve worker training and motivation.

**LEGAL INFLUENCES**

The field of HRM is greatly influenced and shaped by the state and federal employment legislation, most of which is designed to protect workers from getting abused by their employers. Indeed, one of the most important responsibilities of HRM professionals lies in compliance with regulations aimed at HRM departments. The laws and court rulings can be categorized by their effect on the four primary HRM functional areas: acquisition, development, compensation, and maintenance.

The most important piece of HRM legislation, which affects all of the functional areas, is Title VII of the Civil Rights Act of 1964 and subsequent amendments, including the Civil Rights Act of 1991. These acts made illegal, the discrimination against employees or potential recruits for reasons of race, color, religion, sex, and national origin. It forces employers to achieve and often document fairness related to hiring, training, pay, benefits, and virtually all other activities and responsibilities related to HRM. The 1964 act established the Equal Employment Opportunity Commission (EEOC) to enforce the act, and provides for civil penalties in the event of discrimination.
Possible penalties include forcing an organization to implement an affirmative action program to actively recruit and promote minorities that are underrepresented in a company's workforce or management. The net result of the all encompassing civil right acts is that the HRM department must carefully design and document numerous procedures to ensure compliance, or face potentially significant penalties.

In addition to the civil rights acts, a law affecting acquisition, or resource planning and selection, is the Equal Pay Act of 1963. This act forbids wage or salary discrimination based on sex, and mandates equal pay for equal work with few exceptions. Subsequent court rulings augmented the act by promoting the concept of comparable worth, or equal pay for unequal jobs of equal value or worth. The important Age Discrimination in Employment Act of 1967, which was strengthened by amendments in the early 1990s, essentially protects workers 40 years of age and older from discrimination. The Fair Credit Reporting Act also affects acquisition activities, as employers who turn down applicants for credit reasons must provide the sources of the information that shaped their decision. Similarly, the Buckley Amendment of 1974 requires certain institutions to make records available to individuals and to receive permission before releasing those records to third parties.

The major laws affecting HRM development, or appraisal, training, and development, are the civil rights act, the equal pay act, and the age discrimination in employment act. All of those laws also affected the third HRM activity, rewards, or salary administration and incentive systems. In addition, however, HRM reward programs must comply with a plethora of detailed legislation. The Davis-Bacon Act of 1931, for instance, requires the payment of minimum wages to nonfederal employees. The Walsh Healy Public Contracts Act of 1936 ensures that employees working as contractors for the federal government will be compensated fairly. Importantly, the Fair Labor Standards Act of 1938 mandates employer compliance with restrictions related to minimum wages, overtime provisions, child labor, and workplace safety.

Perhaps the most regulated realm of the HRM field is maintenance (or benefits), safety and health, and employee/management relations. Chief among regulations in this arena is the Occupational Safety and Health Act of 1970, which established the Occupational Safety and Health Administration. That act was designed to force employers to provide safe and healthy work environments and to make organizations liable for workers' safety. The sweeping act has ballooned to include thousands of regulations backed by civil and criminal penalties, including jail time and fines for company executives. Also of import are state workers' compensation laws, which require employers to make provisions to pay for work-related injuries.

- **FORCES CHANGING HRM**

In the 1990s several forces were shaping the broad field of HRM. The first key force, new technologies—particularly information technology—brought about the decentralization of communications and the shake-up of existing paradigms of human interaction and organizational theory. Satellite communications, computers and networking systems, fax machines, and other devices were facilitating rapid change. Moreover, since these technologies helped blur the lines between work time and personal time by enabling employees to work at home, HRM professionals began adopting "management by objective" approach to human resources instead of the traditional "management by sight" method.

The second important change affecting HRM was new organizational structures that began to emerge during the 1980s and continued through the 1990s. Because many companies began expanding their operations and diversifying their products and services, the central decision-making system failed to respond quickly enough to managers' needs and concerns. Therefore, companies started scrapping traditional, hierarchical organizational structures.
in favor of flatter, decentralized management systems. Consequently, fewer managers were involved in the decision-making process and companies were adopting more of a team approach to management. HRM professionals, as the agents of change, were charged with reorganizing workers and increasing their efficiency. These efforts also resulted in the proliferation of part-time, or contract employees, which required human resource strategies that contrasted with those applicable to full time workers, to change accordingly.

The third change factor was accelerating market globalization, which was increasing competition and demanding greater performance out of workers, often at diminished levels of compensation. To compete abroad, companies were looking to their HRM professionals to augment initiatives related to quality, productivity, and innovation.

1.6 RELEVANCE OF HRM

HRM is more relevant in today’s context due to the following compulsions:

- CHANGE MANAGEMENT
  Today, terms such as ‘Learning Organisation’, ‘Managing Organizational Change’, ‘Change Agents’ and the like are being increasingly encountered. It is now an accepted fact that any organization can survive in today’s socio-economic environment only if it is proactive to environmental changes. Advances in information technology too are forcing organizations to change their very way of thinking.

- COMPETENCE
  It is often said, “Give a man a job that he excels at and he would not have to work.” In the organizational context, it may not be always feasible to allocate tasks to individuals at which each one excels, but surely we can enhance
competence of individuals for specific tasks through well-designed training programmes. It is equally important to take note of the interests of the individual. It is much easier to train him in tasks closer to his inherent liking. It is, however, seen that many managers do not realize the importance of this aspect and would prefer sub-optimal performance from an employee rather than spare him for training/retraining because in the latter case the employee would not be available for work during the manager’s tenure. What is not appreciated is that without the required competence, an employee would either shirk from the assigned tasks or would do a lousy job. After a while an employee would attempt recognition through destructive means because he is unable to make a mark as a good performer.

- **COMMITMENT**
  The extent to which the employees are committed to their work and organization has a significant bearing on an organization’s performance. Commitment levels can be assessed in a number of ways. One can make use of informal interviews and questionnaires, statistics on absenteeism, grievances, and voluntary separations. Transparency in organizational functioning, employees’ perception of various HRM policies, channels of communication, and role models played by superiors strongly influence employee commitment.

- **CONGRUENCE OF OBJECTIVES**
  Even well-qualified and committed employees could pursue goals at variance to the organizational objectives. It is, therefore, essential that all newcomers to the organization are properly socialized into the existing community and are made aware of the organizational values, work ethos, customs and traditions. It is important that they know what the organization stands for and what it wants to achieve and in the process, what is expected from each individuals, so that he can find reason and meaning for his existence in the organization. This exercise is commonly referred as socialization.
MOTIVATION

Another aspect of human behavior is the employee’s willingness to work and the desire to constantly improve his performance. There are different schools of thought on motivation but essentially, all agree that work is not inherently distasteful. People want to contribute to meaningful goals, particularly, those they have helped in setting. Most people can exercise far more creatively, self-direction and self-control than their present jobs demand.

It is, however, necessary to create an environment in which all members can contribute to the limits of their ability. Subordinates must be encouraged to participate in the process of decision making, continually broadening their self-direction and self-control as this would not only lead to direct improvement in operating efficiency but would also ensure their grooming for higher responsibilities.
1.7 CHALLENGES FACED BY HUMAN RESOURCE MANAGEMENT

Changes in socio-economic and political conditions are bound to bring about changes in the environment within the organizations. The personnel managers of today may find themselves obsolete because of the rapidly changing business environment, and therefore they should constantly update their knowledge and skills by looking at the organization’s needs and objectives. Some of the important challenges are:

- **VISION PENETRATION**
  Evolving the right vision is an entrepreneurial or top management function, but its utility increases immensely if it percolates, and is understood and accepted down the line. Vision not only provides the fuel and direction to business strategy, but also helps managers evaluate management practices and make decisions.

- **INTERNAL ENVIRONMENT**
  Creating an environment, which is responsive to external changes, providing satisfaction to the members of the organization, and sustaining it through culture, useful traditions, practices, and even systems, will become another important dimension of managing managerial personnel.

- **CHANGE IN INDUSTRIAL RELATIONS**
  The practice of IR has undergone sea change. The notion that workers must be disciplined at the manager’s will have to be buried. Development of workers may need supplier and appropriate inputs, but both the workers and managers must be managed and developed by the same set of assumptions and HRM philosophy of the company.

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• BUILDING ORGANIZATIONAL CAPABILITIES
The paradigm of managing managers would include not only assisting them to acquire new skills and knowledge and to evaluate environmental changes to evolve business strategies, but also to live in a psychological state or readiness to continually change.

• JOB DESIGN AND ORGANIZATIONAL STRUCTURE
In designing organizations, we will, hopefully, soon give up uncritical acceptance of foreign concepts and fads like quality circles, TQM, etc. Instead of these, organizational structure and design will primarily be based on (i) task approach, i.e. understanding of the intricacies of technology, jobs and functions to be performed to achieve organizational tasks, and (ii) people approach, which takes cognizance of their strengths, idiosyncrasies, aspirations, and relationships at work.

• INCREASING SIZE OF WORKPLACE
The organizations are ever increasing in size and complexity, multiplying the number of people working therein. The management of an increased workforce poses serious problems and challenges especially since the workers are becoming more conscious of their rights.

• CHANGING PSYCHO-SOCIAL SYSTEM
In the traditional bureaucratic mode, the organizations were designed to perform technical functions with strict compartmentalization of work functions. But in future, human participation will be required not only in technical functions but also in establishing the democratic humanistic system.

• SATISFACTION OF HIGHER LEVEL NEEDS
The workers are becoming much aware of their higher level needs. This awareness is likely to intensify further in the future workforce. Therefore
managers would be required to evolve appropriate techniques of motivating the workers and getting work from them.

- **EQUALITARIAN SOCIAL SYSTEM**
  Major development that have taken place in the last for decades have been due to the desire of the organization’s members to have greater say and influence in organizational functioning. Thus, contemporary organizations are putting lesser emphasis on the hierarchical structures and thus moving towards a more equalitarian social system. This is going to be more common in days to come.

- **TECHNOLOGICAL ADVANCES**
  In the wake of technological advances new jobs will be created and many old jobs will become redundant. Unemployment resulting from modernization could be liquidated by properly assessing manpower needs and training of redundant employees in alternate skills.

- **COMPUTERIZED INFORMATION SYSTEM**
  It will play a revolutionary role in managerial decision making. It will also have an increasing impact in coordination and at strategic levels.

- **CHANGES IN LEGAL ENVIRONMENT**
  To meet with the increasing changes in the legal environment, necessary adjustments will have to be made so that greater utilization of human resources can be achieved.

- **MANAGEMENT OF HUMAN RELATIONS**
  The new generation workforce comprising educated and conscious workers will ask for higher degree of participation and avenues for self-fulfillment. It is rather difficult to motivate many of the new generation workers than their predecessors. This is partly due to change in their value system and higher levels of professional competency.
1.8 OBJECTIVES OF HUMAN RESOURCE MANAGEMENT\textsuperscript{7}

The primary objective of HRM is to ensure the availability of a competent and willing workforce to an organization. Beyond this, there are other objectives, too. Specifically, HRM objectives are four fold - Societal, Organizational, Functional and Personal.

- **SOCIETAL OBJECTIVES**

To be ethically and socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organizational. The failure of organizations to use their resources for the society’s benefit in ethical ways may lead to restrictions. For example, the society may limit HR decisions through laws that enforce reservation in hiring and laws that address discrimination, safety or other such areas of societal concern.

- **ORGANISATIONAL OBJECTIVES**

To recognize the role of HRM in bringing about organizational effectiveness. HRM is not an end in itself. It is only a means to assist the organization with its primary objectives. Simply stated, the department exists to serve the rest of the organization.

- **FUNCTIONAL OBJECTIVES**

To maintain the department’s contribution at a level appropriate to the organization’s needs. Resources are wasted when HRM is either more or less sophisticated to suit the organization’s demands. The department’s level of service must be tailored to fit the organization it serves.

• PERSONAL OBJECTIVES

To assist employees in achieving their personal goals, at least insofar as these goals enhance the individual’s contribution to the organization. Personal objectives of employees must be met if workers are to be maintained, retained and motivated. Otherwise, employee performance and satisfaction may decline and employees may leave the organization.

The objectives of HRM may be as follows:

(i) To create and utilize an able and motivated workforce, to accomplish the basic organizational goals.

(ii) To establish and maintain sound organizational structure and desirable working relationships among all the members of the organization.

(iii) To secure the integration of individual and groups within the organization by co-ordination of the individual and group goals with those of the organization.

(iv) To create facilities and opportunities for individual or group development so as to match it with the growth of the organization.

(v) To attain an effective utilization of human resources in the achievement of organizational goals.

(vi) To identify and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits and social security and measures for challenging work, prestige, recognition, security, status etc.

Every organization has objectives. Objectives of HRM can be derived from the basic objectives of an organization. Thus objectives of HRM can be summarized as follows.

➢ To help the organization attain its goal by providing well trained and well motivated employees.
➢ To utilize resources effectively.
➢ To enhance job satisfaction and to realize his or her potentialities.
Human resources approach of management to its own people would go a long way in effectively actuating. It facilitates in identifying the right kind of people, socializing them in the most appropriate way, training and developing them in the right direction, assigning the tasks which are best suited for every individual so as to bring out their best, motivating them to make their best contribution, and creating conditions for the people to enjoy their work. It establishes and maintains an organizational philosophy, culture and climate conducive for the organization’s own people to have job satisfaction and a sense of fulfillment. As human resources development has a pivotal role in HRM, the organization gets the people it requires, while every individual gets the task which he can perform efficiently.

As the people are considered valuable human beings, the very perspective of management changes, and the people are motivated to foster a oneness with the organization. Training and development needs are ascertained taking into account the individual needs, and hence training and development programmes are bound to produce the best result. On the other hand, the company gets the most appropriate manpower.

Introduction of high-tech machineries and equipments, modernization of technology and techniques, computerization of data processing, introduction of micro-process controlled CNC machines in many manufacturing operations, introduction of quick communication systems, introduction of robots in repetitive manufacturing operations, sophistication in technical operations and such other developments have brought with it the need for well-trained, technically qualified and highly skilled manpower. HRD approach not only helps to procure such manpower but to retain them. All such developments may result in redundant workforce which must either be retrained and
redeployed or separated through golden handshake schemes. HRM approach facilitates action in such situations.

The vast scope of HRM in the context of a business organization can be summed up as follows:

(i) A cordial worker-management relationship would be possible;
(ii) Management would be able to understand their people better;
(iii) A situation would be created in the organization for the employees to enjoy their work and gain substantial job satisfaction;
(iv) Management would be able to get better co-operation from its workers;
(v) Employees would be able to gain a great sense of accomplishment through their work;
(vi) Organizational efficiency and workers’ productivity would increase;
(vii) It would help the employees to gain a sense of belonging to their work place;
(viii) Better organizational climate and culture may emerge as a result of good HRM;
(ix) As the people would be able to foster a sense of belonging, their sense of fulfillment and accomplishment would remain high;
(x) As the people are respected as individuals, and their contributions are valued and rewarded, they would gain more self-confidence and self-respect, and they will learn to respect others, particularly their superiors and managers;
(xi) The employees may be able to gain a self-confidence that their competence and performance can be improved and they would have prospects for better career growth; and to use their competence and talents;
(xii) Management gets enlightened workforce;
(xiii) A good communication channel would become possible as a result of mutual understanding and better coordination;
Influence level of management and managers would increase;

Adverse influence of trade unions, particularly self-seeking militant trade union leaders, can be reduced;

Gulf between management and workers can be reduced;

A good HRM policy would improve the possibility for industrial peace, which is badly needed in India now-a-days; and

It would become easier for the management to identify and train appropriate talents for every job.

In fact, a well planned human resources management process is the need of the hour. It helps in efficiently managing a business. The scope of HRM is, therefore, extensive to the extent that there cannot be a study of management without proper attention on human resources management, though it has its own limitations also.

1.10 PRINCIPLES OF HUMAN RESOURCE MANAGEMENT

Many Human Resource Management principles have been established through practice, expertise and observation. Principles are universal truths generally applicable to organizations. Principles guide manager in formulating policies, programs, procedures and practices. They also come handy in solve any problems, some of the policies are as follows:

(i) Principles of individual development to offer and equal opportunities to every employee realize his/her full potential.

(ii) Principle of participation to associate employee representative at every level of decision-making.

(iii) Principle of scientific selection to select the right person for the right job.

(iv) Principle of fair remuneration to pay fails equitable wages and salaries.
(v) Principle of labour management co-operative promotes cordial industrial relations.

(vi) Principle of free flow of communication to keep channel of communication open and encourage upward, downward, horizontal, formal and informal communication.

(vii) Principle of team spirit to promote co-operation and team spirit among employees.

(viii) Principle of incentive to recognize and reward good performance.

(ix) Principle of contribution to national prosperity to provide a higher purpose of work to all employees and to contribute a national prosperity.

(x) Principle of dignity of labour to treat every job and every job holder with dignity and respect.

1.11 FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

Human Resource Management is the management of human resources in the organization and is concerned with the creation of harmonious working relationships among its participants and bringing about their utmost individual development. Infect, HRM undertakes all those activities which are concerned with the human elements or relations as well as with material elements in an organization and the functions listed therein. The main objective of these functions is to bring together expertise in a scientific way and to create attitude that motivate a group to achieve its goals economically, effectively and speedily.

HRM s the qualitative improvement of human beings who are considered the most valuable assets of an organization- the sources, resources, and end-users of all products and services. HRM is, no doubt, an outgrowth of the older process and approach. But it is much more than its parent disciplines viz., personnel management, and behavioral science.
Human resource functions refer to tasks performed in an organization to provide for and coordinate human resources. Human resource functions are concerned with a variety of activities that significantly influence almost all areas of an organization and aim at:

- Ensuring that the organization fulfills all of its equal employment opportunities and other government obligations.
- Carrying out job analysis to establish the specific requirements for individual jobs within an organization.
- Forecasting the human resource requirements necessary for the organization to achieve its objectives-both in terms of number of employees and skills.
- Developing and implementing a plan to meet these requirements.
- Recruiting and selecting personnel to fill specific jobs within an organization.
- Orienting and training employees.
- Designing and implementing management and organizational development programmes.
- Designing systems for appraising the performance of individuals.
- Assisting employees in developing career plans.
- Designing and implementing compensation system for all employees.

The functions of HRM in a given organizational framework can be classified mainly into two categories viz: (i) Managerial functions and (ii) Operative functions. Following Chart depicts the functions of HRM.

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The functions of H.R.M can be broadly classified into two broad categories.

A. MANAGERIAL FUNCTIONS.

B. OPERATIVE FUNCTIONS.

Details of above functions are also shown in Chart 1.2

A. MANAGERIAL FUNCTIONS

A managerial function of HRM involves planning, organizing, directing and controlling. All these functions influence the operative functions.

(i) PLANNING

H.R. administration should be able to predict trends in wages in labour market, in union demands, in other benefits, in personnel policies and programmes. The task of forecasting personnel needs in relation to changes in production or seasonal variations and the leveling out of differences in production is extremely important both for employees and for management.

Therefore planning or decision making has to be undertaken much in advance of an action, so that contingent problems and events may be properly handled. This is also stressed by the saying “Good Managers make thing happen.”

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(ii) ORGANIZING
Organizing is essential to carry out the determined course of action. A complex relationship exists between the specialized departments and the general department as many top managers are seeking the advice of personnel manager. Thus, organization establishes relationships among the employees so that they can collectively contribute to the attainment of company goals.

(iii) DIRECTING
Directing the subordinates at any level is a basic function of the managerial personnel. Directing is involved with getting persons together and asking them through either command or motivation to work willingly and effectively for the achievement of designated goals. Directing deals not only with the dissemination of orders, within an organization units and department but also with the acceptance and execution of these orders by the employees. Thus, direction is an important managerial function in building sound industrial and human relations besides securing employee contributions.

(iv) CONTROLLING
After planning, organizing and directing the various activities of the H.R.M, the performance is to be verified in order to know that the personnel functions are performed in conformity with the plans and directions. Controlling also involves checking, verifying and comparing of the actual with the plans, identifications of deviations, if any, and correcting of identified deviations. This action and operation are adjusted with pre-determined plans and standard through control.

B. OPERATIVE FUNCTIONS
The operative functions of HRM are related to specific activities of personnel management. All these functions are interacted by managerial functions. Further, these functions are performed in conjunctions with managerial functions.

(i) The procurement function is concerned with the obtaining of a proper kind and number of personnel necessary to accomplish our organizational goals.
It deals with specifically with subjects such as the determination of manpower requirements, their recruitment, selection and placing, induction, follow-up, transfer, lay-offs, discharge and separation etc.

(ii) The development function is concerned with the personal development of employees by increasing their skills through training so that job performance is properly achieved. Drafting and directing training programmes for all levels of employees providing vocational counseling, conference and appraising employees potential and performance are undertaken under this function.

(iii) The compensation function is concerned with securing effectiveness related to wage surveys, establishment of job classification, job descriptions and job analysis, merit ratings, the establishments of wage and wage structure, wage plans and policies of wage systems, incentives and profit sharing plans and policies of wage systems.

(iv) The integration function is a process of interaction among human beings. Human relations is an area of management in integrating people into work situation in a way that motivates them to work together productively, cooperatively and with economic, psychological and social satisfaction. This includes –

- Understanding and applying the models of perceptions, personality, learning intra and interpersonal relations, intra and inter group relations.
- Motivating the employees.
- Boosting employee morale.
- Developing communication skills.
- Developing the leadership skills.
- Redressing employee grievances properly in time by means of well formulated grievance procedures.
CHART- 1.3
FUNCTIONS OF HRM

Managerial Functions

Planning  Organizing  Directing  Controlling

Operative Functions

Procurement  Development  Compensation  Integration
1.12 IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

No other factor is more important than efficient and committed manpower. The human is at the centre of all work and all development comes from the human mind. India has a vast potential to grow as a strong and modern nation. It has large natural resources, sizeable population and scientific and technical manpower. After five decades of intensive efforts, India has the facilities to produce a wide range of goods and services. It has also made considerable progress in the field of satellite technology and space research. Despite these spectacular developments, India has not made a significant impact on the rest of the world as an industrialized country. The basic reason lies in our failure to mobilize our human resources. This has not received sufficient attention resulting into the lack of motivation. Dr.V.Krishnamurthy\(^\text{10}\) presents his experiences and insights from SAIL, MUL, BHEL, TISCO and Japanese organizations to support importance of HRM:

At MUL some encouraging indications were:

- Commitment to work hard amongst employees. An example is the willingness of all employees to come 15 minutes before time to work and to accept change at short notice, if required.
- Pride in work, exemplified by a burning desire to achieve more than originally set targets.
- High level of productivity indicates by employee’s adherence to unwritten norms of 7½ hours of productive work in an 8 hours shift.
- Absenteeism level of around 5%, which is much lower than Indian standards.
- Readiness to accept discipline in the company’s interest.
- Product quality up to international standards.

The importance of HRM is as under:

(A) SOCIAL SIGNIFICANCE

Sound HRM has a great significance for the society. It helps to enhance the dignity of labour in the following ways -

- Providing suitable and productive employment, which might bring them psychological satisfaction.
- Maintaining a balance between the job available and job seekers according to qualification and needs.
- By helping people make their own decisions that are in their interest.
- Eliminating waste of improper use of human resource, through conservation of their normal energy and health.

(B) PROFESSIONAL SIGNIFICANCE

By providing healthy working environment it promotes team work in the employees. This is done by

- Maintaining dignity of the employees as ‘human beings’.
- Providing maximum opportunities for personal development.
- Improving the employee working skill and capacities.
- Correcting error of wrong posting and proper reallocation of work.

(C) SIGNIFICANCE FOR INDIVIDUAL ENTERPRISE

It can help the organization in accomplishing its goal by:

- Creating right attitude among the employees through effective motivation.
- Utilizing effectively the available human resources.
- Securing willing co-operation of employees for achieving goals of the enterprise.

IV. NATIONAL SIGNIFICANCE

H.R. & their management play a vital role in the development of a nation. The effective exploitation and utilization of a nation’s natural, physical and financial resource require an efficient and committed manpower. There are
wide differences in development between countries with similar resources due to differences in the quality of their people. Countries are underdeveloped because their people are backward. The level of development in a country depends primarily on the skills, attitudes and values of its human resources. HRM has become very important because of the following factors in recent decades.

- Increase in the size and complexity of organizations’ e.g. a multinational organization employing millions of persons
- Rapid technological development like automation, computerization etc
- Rise of professional and knowledge workers
- Increasing proportion of women in the workers
- Growth of powerful nationwide trade union
- Widening scope of legislation designed to protect the interest of the working class
- Revolution in information technology that might affect the workforce
- Rapidly changing jobs and skills requiring long term manpower planning
- Growing expectation of society from employers.

**PEOPLE – THE KEY RESOURCE**

The commitment and dedication of the people have an overwhelming impact on the success of a company. People should be viewed as “long term fixed assets.” On several occasions, in spite of poor capital equipment and technology, a determined group of people has produced the very best. Similarly, in many cases the latest technology and best of equipment have yielded poor results because of lack of training and low motivation.
One can buy the best technology and implement good management systems and procedures, but it is not possible to buy dedicated and committed people. They have to be carefully nurtured and developed.

The success of any organization in the long run depends very much on the quality of its human resources. Human resources comprise of the aggregate of employee attributes including knowledge, skill experience and health, which are presently potentially available to an organization for the achievement of its goal.

In other words, human resources consist of the value of the productive capacity of the firms’ human assets. Of all the prime resources of an organization viz. men, material, money and machine, the human resource is recognized as the most vital and valuable. The importance of the human factor also stems from the fact that where all other resources depreciate in value with the passage of time and use, the human resources appreciates in value with the acquisition of greater knowledge through experience and efficiency and thus, reflects an inherent dynamism and development potential. It is also realized now that growth can only be ensured through appropriate collaboration and amalgamation of various personnel across organizational tasks.

It is, therefore, essential to create an appropriate work culture, environment and ethos, which would provide impetus for achievement and accountability. Dr. P.J. Patel11 rightly stated that a country underdeveloped or developed is largely determined by its human resource capacities.

Human resources Development is said to be the core of a large system known as Human Resource System, wherein HRD is mainly concerned with providing learning experiences to the people associated with an organization, through a behavioral approach adopting various processes.

11 Patel P.J. Vice Chancellor of S.P. University, V.V.Nagar, Addressing ABVB’S Function at V.V.Nagar on 23th April 2003.
The individual is provided with learning experiences not in isolation but he shares others’ learning experiences also.

In a broader sense HRD means those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change\textsuperscript{12}

HRD, in the organizational context, refers\textsuperscript{13} to the process whereby the employees are continuously helped in a planned way to:

- Acquire and sharpen capabilities required to perform various tasks and functions associated with their present and future expected roles.
- Develop their general enabling capabilities as individuals so that they are able to discover and exploit their inner potential for their own and organizational development purpose and
- Develop organizational culture where superior-subordinate relationship, team work and collaboration are strong and contributes to their well being, motivation and pride of employees.

\subsection*{1.13 HUMAN RESOURCE MANAGEMENT PROCESS}

Dr. T.V. Rao\textsuperscript{14} has suggested the following processes for HRD

- Performance Appraisal
- Potential Appraisal and Development (PAD)
- Feedback and performance coaching
- Training
- Career planning

\textsuperscript{12} Nadler L, Developing Human Resources, Houston Gulf Publishing Co., 1970, p.57
\textsuperscript{13} IPMIL, The Institute of Company Secretaries of India, 1982, p.79
\textsuperscript{14} Rao T.V. Human Resource Management in Indian Industry 1991 P.36
These mechanisms are used to initiate, facilitate and promote the process of HRD in a continuous way. All the process mechanisms are linked with corporate plans and human resource planning. Policies are general guidelines whereas procedures are specific applications. A procedure is a well thought out course of actions. It specified the manner, in which a piece of work is to be carried out. Procedures emphasize on chronological, step by step sequence of required action.

1.14 NEED FOR HRM POLICIES

Every organization should have HRM policies in order to accomplish the departmental and organizational goals. Every organizational need a sound HRM policy in order to:

- Provide broad guidelines to employees to make them aware of course of actions to follow.
- Minimize favoritism and discrimination in treating the employees.
- Create and develop a sense of enthusiasm and loyalty among workers.
- Have a specific standard of performance.

Gary Dessler\textsuperscript{15} has described certain situations where HRM doesn’t want to make mistakes which are as follows:

- To hire the wrong person for the job.
- To experience high employee turnover
- To find your people not doing their best
- To waste time with useless interviews
- To have your company taken to court because of your discriminatory actions.

\textsuperscript{15}Gary Dessler Human Resource Management 7\textsuperscript{th} Edition Printice Hall Publication. 1998 pg.3.
➢ To have your company cited for unsafe practices under existing laws.
➢ To have your employees to think that their rewards and working conditions are poor in the industry.

➢ **HRM in any organization can be a reality, when:**

➢ The organization believes that development of employees is in its own interest.
➢ The organization will provide opportunities and conditions for the development and optimization of human resources.
➢ The management is willing to invest adequate time and resources for the development of the employees and personally participate in the development.
➢ Managers have concern for growth of subordinates.

### 1.15 HUMAN RESOURCE DEVELOPMENT

**HISTORY**

The origin of HRD was suggested to have started in the USA during the advent of the Industrial Revolution in 1800s. But some writers argued that the roots of HRD emerged in 1913 when Ford Motor started training its workers to produce mass production in the assembly line. However, a significant historical event was suggested during the outbreak of World War Two in the 1940’s as it was during this period that workers were trained to produce warships, machinery.

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On the other hand, Stead and Lee (1996) contested that the historical starting point of HRD was during the 1950s and 1960s when theories on employees’ developmental process was popularized and published by organizational psychologists such as Argyris (1957), McGregor (1960), Likert (1961) and Herzberg (1959). Hence, Stead and Lee (1996) believed that the development of human resources in an organization encompasses not merely ‘training’ but also motivation and development as suggested by organizational psychologists (Blake, 1995). This was supported by other writers, for instance, Desimone et al (2002) said that during 1960s and 1970s, professional trainers realised that their role extended far beyond classroom training and they have also begun to be required for coaching and counseling employees.

Realizing this extended role, Nadler introduced the term HRD in 1970s and it was placed under the big structure of human resources with the function of selection and development of employees under the term HRD (Blake, 1995). Subsequently, in early 1980s, the term HRD was approved by the American Society for Training and Development (ASTD) because they believed that training and development competencies expanded to include interpersonal skills such as coaching, group process facilitation and problem solving. And by then, organizations realised that human resources are important assets and emphasis was placed in investing in training and education for performance improvement to increase productivity and business success (Desimone et al, 2000).

In the UK, Harrison (2000) argued that the historical development of HRD is more fragmented compared to the US. The history of HRD in UK was suggested to have started during World War Two in which ‘training’ was the symbiotic term. Similarly to the USA, during this period, training was the term because workers were trained in the production and manufacturing sector as well as becoming soldiers. The emergence of HRD began in early 1980s when the manufacturing industry was hit by a recession and a strategy was required to overcome the crises especially in multinational companies. Companies
began to realise that human resource is an important asset and started developing their employees particularly to improve their performance and develop or enhance their skills to increase productivity. Since then, HRD is considered as an important business strategy and processes (Harrison, 2000) but viewpoints of HRD as a strategy for business success were argued by writers such as Garavan, Costine and Heraty (1995).

In Malaysia, HRD could have started as early as in 1980s. The historical development and emergence of HRD in Malaysia lacked empirical evidence; the development of HRD during this period was not very clear and focused. HRD may have started when the Commonwealth Countries Secretariat began developing the Human Resources Development Group (HRDG) in 1983 with the intention to assist the ASEAN countries in developing its human resources (Commonwealth Report, 1982:32; Commonwealth Secretariat, 1993). And in 1984, the ASEAN countries, including Malaysia being part of the ASEAN Pacific Rim commenced their proposals in providing assistance in developing human resources particularly in, education, training and skills development for new technology (Hashim, 2000). It may be argued that the emergence of HRD could have started during the mid 1970s when the Government began developing the Bumiputras’ in businesses to improve economic disparities (Malaysia, Government, 1971), or it may have started like the UK, during the economic recession in 1985 as it was during this period that the Government began its aggressive drive towards manufacturing and industrialization (Malaysia, Government, 1991). However, clear when the Government of Malaysia began to include HRD strategies in the country’s development plans and policies in 1991 in the Second Outline Perspective Plan (OPP2) and the Sixth Malaysia Plan, One of the main thrust of these plans is to become a fully industrialized nation with skilled and knowledge-based workforce by year 2020 (Malaysia, Government, 1991). Nevertheless, it could be argued that HRD could have started even before Malaysia’s independence, when workers migrated from India to work in the tin-ore mining fields and oil palm plantations.
1.17 CONCEPT OF HRD

HRD is mainly concerned with developing the skills, knowledge and competencies of people and it is people oriented concept.

HRD is concerned with the development of human resources in an organization. Development means improving the existing capabilities to the human resources in the organization and helping them to acquire new capabilities required for the achievement of the corporate as well as individual goals.

HRD believes that individuals in an organization have unlimited potential for growth and development and that their potential can be developed and multiplied through appropriate and systematic efforts. Given the opportunities and by providing the right types of climate in the organization, individuals can be helped to give full expression of their potential contributing to the achievement of goals of the organization and thereby ensuring optimization of human resources.

Everyone in the organization will have to take self responsibility for growth and optimization of performance.

In a broad sense HRD is the process of increasing knowledge will and capacities of all the people in a given society. As far as industrial organization is concerned, human the ‘human’ concept where people are seen as having skills, having potential and the ability to grown change and develop, the ‘resource’ aspect where individuals are considered resources rather than problems and the ‘development’ aspect where there is an examples on the discovery and nurturing of their potentials.
1.18 INTRODUCTION TO HUMAN RESOURCE DEVELOPMENT

The term human resources can be explained in the sense that it is a resource like any natural resource. It does not mean that the management can get and use the skill, knowledge, ability etc. through the development of skills, tapping and utilizing them again and again by developing a positive attitude among employees.

Human Resource Development is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude, attitude, values, commitment etc. based on present and future job and organizational requirements. Development is acquisition of capabilities that are needed to do the present job or the future expected job as well as development of human resource is essential for any organization that would be dynamic and growth oriented. Unlike other resources, human resources have rather unlimited potential capabilities.

For convenience, management scientists have categorized the competency requirements in organizational life into four categories: Technical, Managerial, Human and Conceptual. Educational psychologists further differentiate knowledge attitude and skill components in each of these categories of these knowledge components are developed with relative ease in classroom settings and with good reading habits. Attitudes and skills can be developed and strengthened mostly on the job.

Mechanism like performance appraisal, interpersonal feedback, counseling, potential development, career planning, organizational development, autonomous work groups, job enrichment and training aim at developing such competencies in the employees. In the past, organizations’ were content with training as a mechanism of developing competencies. As organizations’ started realizing the limitations of training and developing skill based competencies and the need for creating a development climate that can develop and harm human resource, they began to explore other mechanisms. In fact, it is needed
to pay attention to other mechanisms of development that is why many organizations’ set up new department of Human Resource Development.

Human Resource Development has been gaining increasing attention in the last decade from human resource specialists like Training and Development professionals, Chief executives and line managers. Many dimensions of human resource development has been integrated into research training and organizational design and change, others are still being explored.

Human Resource Development has a wide range of activities within the organization. It is mainly concerned with developing skill, knowledge and competencies of people and it is people oriented concept. When we call it as a people oriented concept. The question arise – is it on larger or national context or smaller organizational context?

Dynamic people can build dynamic organization effective employees can contribute to effectiveness and motivated people can make thing happen and contribute to enable an organization to achieve its goal. Therefore, organization should continuously ensure that dynamism, competency, motivation and effectiveness of the remain at higher level.

HRD can be applied both for the national level and for organizational level.

HRD from organizational point of view is a process in which the employees of an organization are motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities and mould the values, beliefs, attitudes necessary to perform present and future roles by releasing highest human potential with a view to contribute positively to the organizational group, individual and social goals.

HRD plays a significant and crucial role in market economies under dynamic environments. HRD should be effective and efficient.
1.18 DEFINITION OF HUMAN RESOURCE DEVELOPMENT

The concept of HRD was formally introduced by Leonard Nadler in 1969 in a conference organized by the American Society for Training and Development. Leonard Nadler defines HRD as “those learning experiences which are organized for a specific time and designed to bring about the possibility of behavioral changes.”

Lippit (1978) points out that HRD as a system depends on;
(i) The work itself which generates a higher degree of responsibility for the employees;
(ii) The individual’s personal and professional growth;
(iii) The improved quality output as a result of increased responsibility; and
(iv) The organization as an open system.
Focus on all these aspects is what HRD all about.

According to T.V.Rao¹⁷:
“HRD is a process by which the employees of an organization are helped, in a continuous planned way to:
(i) Acquire or sharpen capabilities required to perform various tasks and functions associated with their present or expected future roles;
(ii) Develop their general enabling capabilities as individuals so that they are able to discover and exploit their own inner potentials for their own and/or organisational development purposes; and
(iii) Develop an organizational culture where superior-subordinate relationship, tem-work, and collaboration among different sub-units are strong and contribute to the organizational health, dynamism and pride of employees.”

Human Resource Development (HRD) may be defined as development of people, by providing the right environment where each individual may grow to his fullest potentialities.

1.19 CHARACTERISTICS OF HRD

I. HRD IS A SYSTEM

It is a system having several interdependent parts or sub systems such as procurement, appraisal, development, etc. change in any one sub system leads to changes in other parts. For example, if there is change in the promotion policy where seniority is replaced with merit, the chain reactions on effected individuals, unions shall have to be assessed keeping the difficulties in framing acceptable guidelines in regarding ‘merit’ in mind.

II. HRD IS A PLANNED PROCESS

It is a planned and systematic way of developing people.

III. HRD IS AN INTER DISCIPLINARY CONCEPT.

HRD is an amalgamation of various ideas, concepts, principles and practices drawn from a number of soft sciences such as sociology, psychology, anthropology, economics etc.

IV. HRD IS CONTINUOUS LEARNING PROCESS.

It is continuous learning process and not merely a set of mechanism or techniques. In the words of Parnnath, HRD is not an engineering process having a set of mechanism. The techniques such as OD, Training and Development, Performance Appraisal, and career Advancement etc. are used to initiate and facilitate and promote this process is a continuous way. But these mechanisms have not a universal application. The mechanism to be examined, reviewed, re-oriented and recast to see whether they are promoting or hindering the process.

V. HRD IS A COOPERATIVE MASSIVE EFFORT IN THE ORGANIZATION.

The HRD department may play a major role in the development of employees but the cooperation of other parts of an organization is necessary in such an
effort. Prof. Udai Parikh and T.V.Rao have identified four basic agents or partner of development as under:

- The employees or individual (the self)
- The immediate boss of the employees
- The HRD Department and
- The organization

VI. HRD IS AN ADMINISTRATIVE FUNCTION

HRD manager is a line manager and has an important place in the organization chart. Previously it was treated as a staff function. But the American society for training and development suggested that “HRD should be an entrepreneurial function, to increase the importance of the HRD observes that HRD manager should be a problem – solver, risk taker, inter dependent rather than remedial teacher, caution taker and dependent.

VIII. HRD IS CONCERNED WITH THE DEVELOPMENT OF PEOPLE WORKING AT ALL LEVELS.

HRD is concerned with the development of people working at all levels e.g. workers, technical staff, employees and executives in an organization, while mgt development is mainly concerned with the development of executives and management in the organization. It is also different from human resources management.

IX. HRD IS A SCIENCE AS WELL AS AN ART.

It is a science because of its mechanisms and principles and it is an art due to its philosophy and skills.

But the degree of art is greater than the degree of science as it is related with the skills, values, attitudes and perception of human beings.
VII. THE COMPONENTS OF HRD HAVE A WIDE RANGE.
Some persons have used Human Resource Development, Organisation Development as synonyms. But HRD is the development of an individual through learning process while organisational development is the development of proper environment through organization behavior. But these are interlinked as under:

![Chart 1.4: Components of HRD]

X. THERE IS A POSITIVE RELATIONSHIP BETWEEN HRD AND ORGANIZATIONAL EFFECTIVENESS.
The constraints of HRD such as environment, technology, competition, resources, past practices, history, nature of business, management policies etc. being the same, an organization that has better HRD philosophy, climate sub-system and better people is likely to be more effective than an organization that does not have competent people, job satisfaction, better development roles, more team work, high productivity and profitability, better images, low cost,
less labour turnovers, less absenteeism, minimum overtime and good industrial relations in an organization.

1.20 SCOPE OF HUMAN RESOURCE DEVELOPMENT

Human resources management deals with procurement, development, compensation, maintenance and utilization of human resources. HRD deals with development of human resources for efficient utilization of these resources in order to achieve the individual, group and organizational goals. Thus, the scope of HRM is wider and HRD is part and parcel of HRM. In fact, HRD helps for the efficient management of human resources. The scope of HRD invades into all the functions of HRM. The scope of HRD includes:

(i) Recruiting the employees within the dimensions and possibilities for developing human resources.

(ii) Selecting those employees having potentialities for development to meet the present and future organizational needs.

(iii) Analyzing, appraising and developing performance of employees as individuals, members of a group and organizations’ with a view to develop them by identifying the gaps in skills and knowledge.

(iv) Help the employees to learn from their superiors through performance consultations, performance counseling and performance interviews.

(v) Train all the employees in acquiring new technical skills and Knowledge.

(vi) Develop the employees in managerial and behavioral skills and Knowledge.

(vii) Planning for employee’s career and introducing developmental Programmes.

(viii) Planning for succession and develop the employees.
(ix) Changing the employee’s behavior through organisation development.

(x) Employee learning through group dynamics, intra and inter team interaction.

(xi) Learning through social and religious interactions and programmes.

(xii) Learning through job rotation, job enrichment and empowerment.

(xiii) Learning through quality circles and the schemes of workers’ participation in the management.

1.21 NEED FOR HUMAN RESOURCE DEVELOPMENT

All business and industrial organizations are dynamic. In fact, liberalization, privatization and globalization made the business firms further dynamic. In other words, they have been changing continuously in terms of technology, type of business, products/services, organizational strength and the like. The changes invariably demand for the development of human resources.

➢ CHANGES IN ECONOMIC POLICIES:

Almost all the governments across the globe have changed their economic policies from communistic/socialistic pattern to capitalistic pattern. Even the Government of India liberalized its economic policies in 1991. Liberalization, privatization and globalization posed threat to the weak firms and created opportunities to the large firms. These firms started developing their human resources in order to exploit the opportunities. Thus, the capitalistic economic policies and their successful implementation need the development of human resources in the country at large.

➢ CHANGING JOB REQUIREMENTS:

Organizational dynamism brings changes in organizational design and job design. The changes in job design bring changes in job description and job specifications. These changes demand for HRD.
➢ NEED FOR MULTI-SKILLED HUMAN RESOURCES:
The changing trends in industrialization, structuring jobs and organizations’ demand the employee to take up multiple activities. The customer-centred approach led to dejobbing, flexible organizations’ and flexible work. All these changes demand the employees with multiple skills. Human resources developmental activities provide the opportunity to the employees to acquire and develop multiple skills.

➢ ORGANISATIONAL VIABILITY AND TRANSFORMATION PROCESS:
Organizational viability is continuously influenced by the environmental threats. If the organization does not adapt itself to the changing environmental factors, it will lose its market share. If the organization desires to adopt these changes first, it has to develop human resources.

➢ TECHNOLOGICAL ADVANCES:
Organizations in order to survive and develop should adopt the latest technology. Adaptation of the latest technology will not be complete until they are manned by developed employees. Employee development is possible through human resources development. These are the days of information technology and high level production and service technology. Therefore, HRD is essential in the new millennium.

➢ ORGANIZATIONAL COMPLEXITY:
With the emergence of increased mechanization and automation, manufacturing of multiple products and rendering of services, organisations become complex. Management of organisational complexity is possible through HRD.

➢ HUMAN RELATIONS:
Most of the organizations’ today tend to adopt the human relations approach. This in turn needs HRD.
HUMAN RESOURCE DEVELOPMENT OBJECTIVES

The objectives of HRD are:

- To prepare the employee to meet the present and changing future job requirements.
- To prevent employee obsolescence.
- To develop creative abilities and talents.
- To prepare employees for higher level jobs.
- To impart new entrants with basic HRD skills and knowledge.
- To develop the potentialities of people for the next level job.
- To aid total quality management.
- To promote individual and collective morale, a sense of responsibility, co-operative attitudes and good relationships.
- To broaden the minds of senior managers by providing them with opportunities for an interchange of experiences within and outside.
- To ensure smooth and efficient working of the organization.
- To provide comprehensive framework for HRD.
- To enhance organizational capabilities.
- To create a climate that enables every employee to discover, develop and use his/her capabilities to a fuller extent in order to further both individual and organizational goals.

1.22 IMPORTANCE OF HUMAN RESOURCE DEVELOPMENT

Human Resource Development improves the utilization value of an organization. The efficiency of production processes and various areas of management depend to a greater extent on the level of human resources development. Human Resource Development assumes significance in view of the fast changing organizational environment and need of the organization to adopt new techniques in order to respond to the environmental changes.
It increases the competition within and outside the country. Trends toward marketing economy resulting in severe competition not only among the industries in the globe but also industries within the nation. The vitality of human resources to a nation and to industry depends upon the level of its development. Organizations, to be dynamic, growth-oriented and fast changing, should develop their human resources and should possess dynamic human resources.

Thus, the organization can develop, change and excel only if it possesses developed human resource. Thus, HRD plays significant role in making the human resources vital, useful and purposeful.

1.23 FUNCTIONS OF HUMAN RESOURCE DEVELOPMENT\textsuperscript{18}

The functions of HRD include:

\begin{itemize}
  \item **APPRAISAL:**
    \begin{itemize}
      \item Developing policies, procedures and techniques.
      \item Helping the functional managers.
      \item Reviewing of reports and consolidation of reports.
      \item Evaluating the effectiveness of various programmes.
    \end{itemize}

  \item **TRAINING:**
    \begin{itemize}
      \item Identification of training needs of the individuals and the company.
      \item Developing suitable training programmes.
    \end{itemize}
\end{itemize}

Helping and advising line management in the conduct of training programmes.

Imparting of requisite job skills and knowledge to employees.

Evaluating the effectiveness of training programmes.

**MANAGEMENT DEVELOPMENT:**
It is the process of designing and conducting suitable executive development programmes so as to develop the managerial and human relations skill of employees. It includes:

- Identification of the areas in which management development is needed.
- Conducting development programmes.
- Motivating the executives.
- Designing special development programmes for promotions.
- Using the services of specialists, and/or utilizing of the institutional executive development programmes.
- Evaluating the effectiveness of executive development programmes.

**CAREER PLANNING AND DEVELOPMENT:**
It is the planning of one’s career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes internal and external mobility.

**INTERNAL MOBILITY:**
It includes vertical and horizontal movement of an employee within an organization. It consists of transfer, promotion and demotion.
➢ **TRANSFER:**

It is the process of placing employees in the same level jobs where they can be utilized more effectively in consistence with their potentialities and needs of the employees and the organization. It also deals with:

- Developing transfer policies and procedures.
- Guiding employees and line management on transfers.
- Evaluating the execution of transfer policies and procedures.

➢ **PROMOTION:**

It deals with upward reassignment given to an employee in the organization to occupy higher position which commands better status and/or pay keeping in view the human resources of the employees and the job requirements.

- This function covers the formulating of equitable, fair and consistent promotion policies and procedures.
- Advising line management and employees on matters relating to promotions.
- Evaluating the execution of promotion policies and procedures.

➢ **DEMOTION:**

It deals with downward reassignment to an employee in the organization.

- Develop equitable, fair and consistent demotion policies and procedures.
- Advising line managers on matters relating to demotions.
- Oversee the implementation of demotion policies and procedures.

➢ **CHANGE AND ORGANISATION DEVELOPMENT:**

Change implies the creation of imbalance in the existent pattern or situation. Organisation development is a planned process designed to improve organizational effectiveness and health through modifications in individual and group behavior, culture and systems of the organization using knowledge and technology of applied behavioral sciences.
1.24 ROLE OF HRD

(A) SUPPORTING ROLE

➢ STRENGTHENING OPERATING AND INDUCTIVE LEVELS
The HRD should not become a rival to the operating functions generally done by personnel department but should help them to manage their functions in a better way. Likewise the industrial relation matters be handled by lineman who have to face the problems in everyday life.

➢ CONSOLIDATING EXISTING STRENGTHS
HRD attempts to final out the strengths existing in the organisation and consolidates and strengthens them. Every organisation may have easy accessibility which can be hidden strength. Such strength should not be lost while formalizing the organizations’.

(B) ROLE OF SYSTEMS DEVELOPMENT AND RESEARCH

HRD is responsible for developing various systems which deals with people, their problems, organizational dynamics and various related matters.

(C) MANAGERIAL ROLE

➢ Planning for future manpower need, the organisation needs various land of skills and competency and it is necessary to develop a manpower planning system to ensure that proper personnel are procured for the organisation when they are required.

➢ Getting the best people available, this related to procurement of and selection of people in the organization.

➢ Utilizing people selected: If people selected are not properly utilized it amounts to wastage and such persons can create problems. This function related to placement policy.

➢ Retaining, motivating and integrating people: It is important that the good people who are selected remain in the organization for this they
are properly motivated to give their best and that their commitment to the organisation is high.

- Assessing people for their contribution: it is important to assess and identify merit, in order to reward it, to reinforce it and make people to respect it.
- Planning growth of the people: It is related to career growth and planning and promotion policies.
- Developing healthy industrial relations: A healthy work climate is essential.
- Job analysis and evaluation.

(D) ROLE OF DEVELOPMENT COMPETENCE

- A technical competence: People require necessary technical skills which contribute to their competence.
- Managerial competence: All people who join the organisation in due course are to take some managerial roles.
- Process competence: People have to face many conflicts, problems of commitments and co-operation. The competences to deal with such problems are called process competence.
- Helping competence: People at various levels are required to help their subordinates in their work if required.
- Coping competence: People face frustration when they feel that they cannot advance beyond a certain stage in the organisation. They should have competence to cope with such problems.

(E) PROCESS ROLE

- A Creating the necessary culture and values in the organisation, culture of least openness, mutuality in the sense of establishing relationships, risk taking and goal setting process involving people at different levels are necessary. Enough attention should be paid to the process of humanizing in the organisation.
Diagnosis: To identify the process problems and to undertake studies to locate hidden problems. In some department motivation may be low while in others team work may be lacking.

CHART- 1.5
FUNCTIONS OF HRD
1.25 HRD MODELS

Human Resource Manager needs to practice the “hard” goals of productivity and competitiveness through the “software” of HRD simultaneously. Experts have developed a few integrated models in different context, which are of use to HRD professionals to influence their top management at first and later the entire organization.

Following are the HRD models:

- Corporate Development Model
- Industrial Harmony Model
- System Effectiveness Model
- Institution Building Model

(i) CORPORATE DEVELOPMENT MODEL

This model (Chart 1.6) brings together a simultaneous thrust on:

(a) Strategic Management [Through a corporate planning system]
(b) Organization Development [Through structure, process and climate interventions]

<table>
<thead>
<tr>
<th>SM</th>
<th>Adequate</th>
<th>Inadequate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate</td>
<td>Balance</td>
<td>Vulnerable</td>
</tr>
<tr>
<td>Inadequate</td>
<td>Wasteful</td>
<td>Declining</td>
</tr>
</tbody>
</table>

SM = Strategic Management

OD = Organization Development

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(ii) INDUSTRIAL HARMONY MODEL

This model (Chart 1.7) emphasizes on simultaneous strengthening and balance among three sets of relations.

(a) Employee Relations: Between executives and their team of workmen, creating a community spirit.

(b) Union Relations: Between union and management, dealing not only with bargaining issues, but also joint planning to meet environmental demands of productivity and competitiveness, creating a sense of partnership.

(c) Member Relations: Between the recognized union and its members, to avoid dangerous vacuum and conflicts, with the goal of creating responsible industrial citizenship.

CHART- 1.7

INDUSTRIAL HARMONY MODEL

Management

(ER) → Employee Relations → Toward Belonging and Owning

(UR) ← Union Relations ← Toward Partnership

Employees (MR) → Members Relation Towards Industrial Citizenship

Union

(iii) **SYSTEM EFFECTIVENESS MODEL**

This model (Chart 1.7) brings together a five-step framework to enhance the effectiveness of system for planning, quality, productivity etc. This is illustrated with respect to Quality System.

(a) Create collective clarity about the end object of Quality System to bring quality of life to the employees, customers and internal and external stakeholders.

(b) Top management commitment to philosophy of quality, ensuring following principles: Quality is profitable. Quality is a basic essential, not an optional extra. Quality is universal and invisible.

(c) Converting management beliefs on quality into an organizational climate for quality through communication, leadership, reorganization and reinforcement.

(d) Joint design, implementation, audit and update of quality system reaching towards international standards.

(e) Training and retraining the quality related technical and behavioral skills at all levels to enable intelligent use of quality systems.
(iv) Institution Building Model

This model (Chart 1.8) raises the issues of productivity and competitiveness to the level of trusteeship of the enterprise. The two key features of Business Institution are:

(a) A society valued efficient and effective business enterprise.

(b) A community not of “employees” but “members” with a collective commitment to productivity & competitiveness to make contribution to society.

\(^{21}\) Athreya M.B. “Model presented at the international convention of Quality Control Circles New Delhi 1989.
1.26 THE ROLE OF HR MANAGER

There are many problems caused by constant changes that occur both within and outside the organization. These problems are the source of challenges for HR manager. They are:

- Changing mix of the work force
- Changing values of the workforce
- Changing demands of employers
- Changing demands of government

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The HRD Manager has to actively involve himself in company’s strategy formulation. To do this, he must have the ability to understand business and also contribute to the formulation of strategies, long term planning, marketing, finance and other areas of business apart from managing HRD functions alone. One of the essential roles of the HRD manager is to keep communication lines open between the HRD functions and individual and group, both within and outside the organization.

Effective communication is one of the critical and crucial elements for the success of HRD Manager. He facilitates the development of various organization teams and their working relationship with each other as a team or as an individual. He attempts to see that members of teams learn to function more effectively within the organization with their own styles.

An HRD Manager should also develop the expertise to diagnose problems and to determine appropriate solutions, particularly in HRM areas, as effectiveness of human resource is the key to success for the organization. Time will call for HRD Manager maintaining an active network and close working relations with other key managers in the organization so as to achieve a high level of congruence between HRD functions and goals of the organization. HRD professionals today are confronted with major challenges, which are real, present and virtually certain to extend in any version, in the near future.

With the ongoing reform process, changes in corporate sectors and the country becoming a member of WTO to join international trade community, the things at home are changing very fast. In this scenario, it is important that the role of the HRD Manager be seen as an active facilitator in the process of imparting dynamism to the organization.
1.27 PROFILE OF HRD MANAGER

Broadly speaking every staff member of the HRD department should be considered as HRD Manager. The HRD Manager is a man of mission. Therefore, he should have the qualities of a missionary. His mission is to create a learning environment in the organization. In the modern organizations, employees tend to get too much concerned about their personal power, needs, status, reward, promotions and work routine. They keep on doing things without learning and creating critical situations. All these factors affect the quality of life in organization. With the organizational growth, its future personnel policies also have a good degree of impact on the employee satisfaction and work motivation. A healthy climate characterized by trust, openness, mutual support, team spirit willingness to sacrifice, positive attitude etc. combined with desire and development of individuals can go a long way in building people and organization. The mission of the HRD Manager is to build such a climate in the organization and simultaneously bring changes in the thinking of individuals. Following qualities are essential and expected from today’s HRD Managers to be successful:

- Positive thinking with positive attitude towards people
- A high desire to learn
- Interested in people
- Helpful attitude
- Proactive or Initiative taking
- Practice and perseverance
- Communication skills
- Objectivity in approach
- Personal example and sense of discipline
Techniques of human resource development are also called HRD methods, HRD instruments or HRD mechanisms or HRD subsystems. They include:

- Performance Appraisal
- Potential Appraisal
- Career Planning
- Career Development
- Employee Training
- Executive Development
- Organizational Change
- Organisational Development
- Social and Cultural Programmes
- Workers Participation in Management
- Quality Circles
- Employee Counseling
- Team work
- Role Analysis
- Communication Policies and Practices
- Monetary Rewards
- Non monetary Rewards
- Employee Benefits
- Grievance Mechanism

The role of HRD professionals is changing from trainer to consultant. Their strategic role is to link HRD closely to business; their practical role is to provide learning opportunities for employees. The execution of HRD activities is a shared responsibility of HRD professionals, managers and employees.

Human Resource Development (HRD) professionals, who are involved in organizing, learning activities for the organisation. Their role changes from that
of ‘trainer’ to ‘performance consultant’ or ‘learning specialist.’ Finally, this shift impacts upon employees who are now expected to take greater responsibility for their own learning.

1.29 VISION OF HRD

Most HRD functions seek to provide a strategic contribution to the organisation, by supporting the company in realizing business objectives. For instance by ensuring that the workforce has the necessary competencies.

In trying to realise this strategic contribution, HRD functions not only provide training (mentioned explicitly by only a small group of companies, but probably an objective in all cases), but also seek to provide opportunities for (informal) employee learning in general (with knowledge sharing as an explicit form). In this respect, objectives such as creating a learning culture, creating a learning organisation and implementing knowledge management were mentioned, but are certainly not dominant.

Finally, in order to provide these learning opportunities and provide a strategic contribution, about two third of the case, organisations have formulated objectives with regard to changing HRD practices. The most important ones are related to integrating HRD stronger with the work organisation, for instance by sharing HRD tasks with line managers.

In the division of HRD tasks as envisioned by HRD professionals, managers and employees both fulfill an active role. HRD professionals themselves appear to fulfill both a strategic and a more practical role. Their strategic role can be seen as an effort to link HRD closely to the business.

The responsibility of managers can be seen in the same light, by actively helping employees in analyzing learning needs and agreeing upon learning activities.
The practical role of HRD professionals consists of providing practical support and resources (tools, learning materials) for managers to help them fulfill their HRD tasks, and thus provide learning opportunities for employees.

Though justified to conclude that the organisation of the HRD function is becoming more and more diffuse, and increasingly hard to identify and describe, as HRD is becoming ever more integrated within the business. This integration process appears to take place both with regard to policy-making (HRD policy linked more closely to, and eventually integrated in general strategy) and with regard to the execution of HRD activities (from being performed by HRD department, to a shared responsibility of HRD professionals, managers and employees). Many HRD functions have not yet reached that point.

1.30 STRATEGIES USED BY HRD

Strategies used by HRD functions in order to fulfill their envisioned role can be divided into four main categories. A first category consists of strategies aimed at securing that HRD activities support the business, either in general or with regard to a specific current strategic objective. For instance by adopting a very demand-driven approach to planning HRD activities and seeking close cooperation with management.

A second type of strategies are those seeking to support (informal) learning by: supporting (informal) learning from each other and knowledge sharing, fostering employee responsibility for learning and supporting team or even organisational learning. Important to realise is that HRD professionals appear to consciously use 'new' ways of supporting learning as a way to change current notions on 'learning'. For instance, they hope that management and employees will no longer equate learning to classroom training, but also consider opportunities for informal learning, and for learning from each other.
A substantial amount of the activities of HRD professionals of course remains providing training. But the results in this field were too general to permit any specific conclusions other than the observation that traditional training does have a place in the portfolio of strategies employed by the HRD professionals to realise their objectives.

Finally, an interesting category is comprised of strategies aimed at changing the organisation of the HRD function, by actively involving managers and employees. For example by decentralization of HRD activities, supporting management in HRD tasks and increasing employee responsibility for learning.

All in all, it can be concluded that training is still an important strategy, but it is complemented by strategies to support other types of learning (such as coaching, using IC-T to promote knowledge sharing, etc.), and by activities meant to ensure a close link between training and organisational strategy. Important to note is that HRD professionals not only provide opportunities for learning, but also deliberately also try to change attitudes to learning.

1.31 INFLUENCING FACTORS TO HRD

When considering the factors that support the pursuit of HRD’s new role, it is worth mentioning that most form an exact mirror of the inhibiting factors. Thus the most important conducive factor is active involvement, particularly from managers (whereas a lack of motivation from this group was an important inhibiting factor). It seems that most HRD professionals find themselves dealing with both active and motivated managers and with those that are not motivated. Highly motivated employees were also mentioned as a conducive factor, but only by a small number of case organizations’.

Clarity on HRD’s new role is also an important conducive factor. Other factors, such as a learning culture, new organisational structures that provide more learning opportunities and pragmatic factors such as enough HRD resources, were also found to help the process along. However, these aspects were
mentioned considerably less frequently as conducive factors, than they were pointed out as factors which hinder the role transition.

It might be that some of the conducive factors are necessary but insufficient conditions for organizations’ to become learning oriented. For example, despite increasing HRD resources and senior management commitment, until workload pressures and the organisation of work are addressed, and time is made for learning, employees will continue to see learning as extra to their daily work practices, perhaps even unnecessary and worthless. The need to meet targets and a task orientation impedes the development of a learning environment. Conversely, inhibiting factors might not necessarily preclude the achievement of becoming learning oriented.