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INTRODUCTION

HRD is a process, not merely a set of mechanisms and techniques. The mechanisms and techniques such as performance appraisal, counseling, training and organisation development interventions are used to initiate, facilitate and promote this process in a continuous way. Because the process has no limit, the mechanisms may need to be examined periodically to see whether they are promoting or hindering the process. Organisations can facilitate this process of development by planning for it, by allocating organisational resources for the purposes, and by exemplifying an HRD philosophy that values human beings and promotes their development.

Human resource development is concerned with present and future of employee performance by increasing employee’s ability to perform through development of employee’s knowledge, attitude and skills. A well designed HRD programme can increase the level of commitment of employees to the organisation and also their perceptions that the work at the organisation is a pleasure not pain. Increased involvement can thus result in achievement of organisational goals.

HRD is an integrated strategy and planned development process for effective utilisation of human resources for the achievement of organisational objectives. It aims at the development of both human resource and
organisation. It is rather a total matching process between hard S’s (Structure, System and Strategy) and Soft S’s (Soft, Skill, Style and Superordinate goals).¹

“People” are the most important and valuable resource in every organisation or institution has in the form of its employees. Dynamic people can build dynamic organisations. Effective employees can contribute to the effectiveness of the organisation. Competent and motivated people can make things happen and enable an organisation / institution to achieve its goals. Therefore, organisations should continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high levels. Human resource development is thus a continuous process to ensure the development of employee’s competencies, dynamism, motivation and effectiveness in a systematic and planned way.²

2.1 MEANING AND DEFINITION OF HUMAN RESOURCES DEVELOPMENT:

According to Harbison and Myers (1964) “HRD is the process of increasing the knowledge, the skills, and the capacities of all the people in a society. In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, HRD prepares people for adult participation in the political process, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps people to lead fuller and richer lives, less bound to tradition. In short, the processes of HRD unlock the door to modernization”

According to Rao (1995) the scope of HRD is extended, at one side, to developing competencies of human resource by enhancing knowledge, building skill, changing attitude and teaching values, and at other side, creation of

conditions through public policy, programs and other interventions to help people to apply these competencies for their own and others’ benefits and making things happen.

Human Resource Development (HRD) as “A set of systematic and planned activities designed by an organisation to provide its members with the opportunities to learn necessary skills to meet current and future job demands”. According to Gilley and Eggland (1989): “HRD is organised learning activities arranged within an organisation to improve performance and personal growth for the purpose of improving the job, the individual, and the organisation”. “HRD is the process of determining the optimum methods of developing and improving the human resources of an organisation and the systematic improvement of the performance of employees through training, education and development and leadership for the mutual attainment of organisational and personal goals”.

2.2 CHARACTERISTICS OF HUMAN RESOURCE DEVELOPMENT:

1. Human Resource Development 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 promotion policy where seniority is replaced with merit, the chain reaction on affected individual, unions shall have to be assessed-keeping the difficulties in framing acceptable guidelines regarding ‘merit’ in mind.

2. Human Resource Development is a Planned Process: It is a planned and systematic way of developing people.

3. **Human Resource Development is an Inter Disciplinary Concept:** Human Resources Development is a amalgamation of various ideas, concepts, principles and practices drawn from a number of soft science such as sociology, psychology, anthropology, economics, etc..

4. **Human Resource Development is Continuous Learning Process:**

   It is a continuous learning process and not merely a set of mechanisms of techniques. In the words of Parnnath, Human Resource Development is not an engineering process having a set of mechanisms. The techniques such as Organisational Development, Training and Development, Performance Appraisal, and Career Advancement, etc, are used to initiate and facilitate and promote this process in a continuous way. But these mechanisms have no universal application. The mechanisms to be examined, reviewed, re-oriented and recast to see whether they are promoting or hindering the process.

5. **Human Resource Development is Cooperative Massive Effort in the Organisation:**

   The Human Resource development play a major role in development of employees but the cooperation of other parts of an organisation is necessary in such an effort.

   There are four basic agents or partners of development as under:
   1. The employees
   2. The Immediate Boss of the employees
   3. The Human Resource Development Department
   4. The organisation

6. **Human Resource Development us an Administrative Function:**

   Human Resource Development Manager is a line manager and has an important place in the organisation chart. Previously, it was treated as a staff function. But the American Society for Training and Development suggested
that “Human Resource Development should be an entrepreneurial function to increase the importance of the Human Resource Development”, observe that HRD Manager should be a problem – solver, risk-taker, inter-dependent rather than remedial teacher, caution-taker and dependent. He should create opportunities for the employees in place of minimizing performance gaps.

7. The Components of Human Resource Development have a wide range:

Some persons have used HRD, Organisational Development as synonyms. But HRD is the development of an individual through learning process while organisational development is the development of proper environment through organisational behaviour. But these are interlinked as under:

![HRD Composition Diagram](image)

Figure-2.1: HRD Composition
8. Human Resource is concerned with the Development of People working at all levels:

Human Resource Development with the development of people working at all levels e.g., workers, technical staff, employees and executives in an organisation, while Management Development is mainly concerned with the development of executives and management in the organisation. It is also different from human resource management. Human Resource Development is interlinked, proactive, useful and applicable in all functional areas of management and top management responsibilities is for twenty four hours while Human Resource Management is independent reactive and personnel functions having the responsibility up to office hours only.

9. Human Resource Development 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.

10. There is a Positive relationship between HRD and Organisational Development:

The constraints of Human Resource Development such as environment, technology, competition, resources, past practices, history, nature of business, management policies, etc, are being the same. An organisation that has better HRD philosophy, climate, sub-system and better people is likely to be more effective than an organisation that does not have more competent people, job satisfaction, better development roles, more team work, high productivity and profitability, better images, low cost, less labour turnover, less absenteeism, minimum overtime and good industrial relations in an organisation.
11. Human Resource Development is a strategy to transform Human Resource Inputs into Output:

The inputs are the people, the individuals, groups and the total human organisation. The transformation processes are the managerial sub-system for acquiring, developing, allocating, conserving, utilizing and evaluating people. The outputs are the services provided by the individuals and groups to the organisation in which they are employed in particular and to the society in general.\(^5\)

2.3 OBJECTIVES OF HUMAN RESOURCE DEVELOPMENT:

Objectives of HRD can be listed as follows:

1. To develop capabilities of all individuals working in an organisation in conneation to the present role.
2. To develop capabilities of all such individuals in relation to their future role.
3. To develop better interpersonal and employer – employee relationships in an organisation.
4. To develop team spirit.
5. To develop co-ordination among different units of an organisation.
6. To develop organisational health by continuous renewal of individual capabilities keeping pace with the technological changes.

Objectives of HRD practices in an organisation should be to put efforts to develop / and realise the full potential of the workforce including management and to maintain an environment conducive to total participation, quality leadership and personal and organisational growth. In an organisation there are six units which are concerned with HRD, namely person, role, team, inter-team and organisation. The effect of one contributes in turn to the effectiveness of the others.

• Institute training on the job.
• Break down barriers between departments to build teamwork.
• Drive fear out of the workplace.
• Create conditions to enable employees to take pride in their workmanship.
• Institute programme of education and self-improvement.

2.4 NEED FOR HRD

All business and industrial organisations are dynamic, liberalisation, privatisation and globalisation made the business firms further dynamic. In other words, they have been changing continuously in terms of technology, type of business, products / services, organisational strength and the like. The changes invariably demand for the development of human resources.

1) Changes in Economic Policies

Almost all the governments across the globe have changed their economic policies from communistic / socialistic pattern to capitalistic pattern. Liberalization, privatization and globalisation posed threat to the weak firms and created opportunities to large firms.

2) Changing job Requirements

Organisational dynamism brings changes in organisational design and job design. The changes in job design bring changes in job description and job specifications. These changes demand for HRD.

3) Need for multi-skilled Human Resources

The changing trends in industrialisation, structuring jobs and organisations demand the employee to take up multiple activities. The customer centered approach lead to de-jobbing flexible organisations and

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flexible work. All these changes demand the employees with multiple skills. HRD activities provide the opportunity to the employees to acquire and develop multiple skills.

4) Organisational Viability and Transformation Process

Organisational viability is continuously influenced by the environmental threats. If an organisation does not adopt itself to the changing environmental factors, it will lose its market share. If the organisation desires to adopt these changes first, it has to develop human resources.

5) Technological Advances

Organisations 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.

6) Human Relations

Most of the organisations today tend to adopt the human relations approach. This in turn needs HRD.7

2.5 IMPORTANCE OF HUMAN RESOURCE DEVELOPMENT:

Human resource development (HRD) is an essential component for the growth and economic development. It can occur at both the nationwide level and the firm-wide level. The enhancement of HRD of a country is dependent on the government and national policies, while at the firm or micro level HRD can happen through training and efficient utilization of resources. Resources are efficiently utilized to support HRD when the maximum benefit is created at the lowest possible cost.8 Human resource is needed to be developed as per the

8 Jon wernor and Rendy Desimon “Human Resource Development” journal of employee training, 2006
change in external environment of the organisation, hence, HRD helps to adapt such changes through the development of existing human resource in terms of skill and knowledge.

The significance of HRD are as follows:

1. **HRD Develops Competent Human Resource**
   
   HRD develops the skills and knowledge of individuals, hence, it helps to provide competent and efficient HR as per the job requirement. To develop employees’ skills and competencies, different training and development programs are launched.

2. **HRD Creates Opportunity for Career Development**
   
   HRD helps to grasp the career development opportunities through development of human skills and knowledge. Career development consists of personal development efforts through a proper match between training and development opportunities with employee’s need.

3. **Employee Commitment**
   
   Trained and efficient employees are committed towards their jobs which is possible through HRD. If employees are provided with proper training and development opportunities, they feel committed to the work and the organisation.

4. **Job Satisfaction**
   
   When people in the organisation are well oriented and developed, they show higher degree of commitment in actual work place. This inspires them for better performance, which ultimately leads to job satisfaction.

5. **Change Management**
   
   HRD facilitates planning and management of change in an organisation. It also manages conflicts through improved labour management relations. It
develops organisational health, culture and environment which lead to change management.

6. Opportunities for Training and Development

Training and development programs are tools of HRD. They provide opportunity for employees’ development by matching training needs with organisational requirement. Moreover, HRD facilitates integrated growth of employees through training and development activities.

7. Performance Improvement

HRD develops necessary skills and abilities required to perform organisational activities. As a result of which, employees can contribute for better performance in an organisation. This leads to greater organisational effectiveness.9

2.6 HUMAN RESOURCE DEVELOPMENT AT MICRO AND MACRO LEVEL:

Human Resource Development mainly concerns development of people whether it may be political or managerial reasons. When we call it as a people oriented concept the questions like should the people be developed in the larger and national context or in the organisational context. Is it different at the macro level and micro level? The answers would be that Human Resource Development applies for both institutional (Micro) and National (Macro) issues. But its main objective is to take up both present and future challenges to the attainment of goals. However, it is useful both at macro and micro levels.

Macro Level:

At macro level Human Resources Development is concerned with the people development for nations well being. It takes wealth, capabilities, skills, attitudes of people which are more useful to the development among them and

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9 www.Accountmanagement.blog.com//importanceofhumanresourcedevelopment.com
the nation’s overall development as well. While calculating the national income and economic growth prospective, Human Resource Development concept examines the individual incomes, their attitudes, aspirations, etc., and establishes concrete base for the economic planning and measures to control inflation. This becomes possible only if the development of Human Resource of whole nation is taken care of. However, Human Resource Development contribution at macro level is not popularized. It is at Micro and more so it is only at corporate level that Human Resource Development has become famous over the years.

**Micro Level:**

Micro Human Resource is usually understood to be the actual execution of duties as mandated at the macro level. These duties commonly include the administration of policies regarding the selection, hiring, compensation, placement, performance management, promotion, conflict resolution, discipline and discharge of employees. Some of the terms commonly associated with micro HR are operations planning, practices, procedures and administration.

Human Resources Development has great concern for grass root development in the organisations. More so it is well received by companies’ management as they realised its importance and foresaw its future contribution to the individual and organisational development. Generally HRD at micro level talks of the organisations’ manpower, planning, selection, training, performance appraisal, development, potential appraisal, compensation, organisational development etc. HRD’s involvement in all these areas is mainly with an objective to develop certain new capabilities in people concerned to equip them to meet the present job challenges and to accept future job requirements.10

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2.7 HUMAN RESOURCE DEVELOPMENT MATRIX:

The HRD matrix shows the interrelationship between HRD instruments, processes, outcomes and organisational effectiveness.

1. **HRD Instruments**: These include performance appraisal, counselling, role analysis, potential development, training, communication policies, job rotations, rewards, job enrichment programmes, etc. These instruments may vary depending on the size of the organisation, the internal environment, the support and commitment of the top management, the competitive policies etc.

2. **HRD Processes**: The HRD instruments lead to the generation of HRD processes like role clarity, performance planning, development of climate, risk-taking, dynamism among employees. Such HRD processes should result in more competent, satisfied and committed people that would make the organisation grow by contributing their best to it.

3. **HRD Outcomes**: HRD instruments and processes make people more committed and satisfied, where they tend to give their best to the organisation enthusiastically.

4. **Organisational Effectiveness**: The HRD outcomes influence the organisational effectiveness, which in turn, depends on a number of variables like environment, technology, competitors, etc.\(^1\)

2.8 HRD PROCESSES:

HRD is a process-oriented function. HRD functions in many organisations fail because the processes involving the systems are not adequately addressed. The concept of process essentially concerns the question of “how” and to a great extent the question of “why”. It emphasizes the behavioural and interactional dimensions. All the HRD processes are centered around four constituents of an organisation viz., the employee role, teams and the organisation itself. Each of the unit has its own behavioural

patterns and framework, which, if not addressed adequately may not bring in the desired outcomes. It is through these processes that the HRD systems are effectively implemented. Implementations of the HRD systems are, in turn intended to bring in right processes in organisations. Hence, HRD systems and HRD processes are closely linked.

1. **Individual**: Individual is the basic constituent of an organisation. All the behavioural pattern and dynamisms emerge from individuals. Hence, individual based HRD process explained below are vital for HRD function and for implementation of the HRD systems.
   i) Efficacy       ii) Effectiveness        iii) Styles        iv) Leadership

2. **Role**: Role is a dynamic entity which involves the expectations of others and self from the position of the role holder. A large number of behavioural patterns and dynamism in organisations are centered on the roles. The role occupier and all others who have some linkage or relationship to that role form a constituent. Following are some of the role related, HRD processes in organisations.
   i).Competencies for job performance   ii) Commitment    iii) Motivation
   iv) Frustration, and v) Stress and Burnout

3. **Teams**: Work in organisations is performed through teams or groups. When individuals begin to work in team, behavioural patterns and dynamisms emerge. Following HRD processes are to be addressed if team work should bring in the desired results.
   i). Communication ii). Feedback    iii) Conflict resolution
   iv) Collaboration

4. **Organisation**: A large number of HRD processes are organisation related. Unless and until these processes are in place, HRD cannot take off. However, in a number of organisations as a result of implementation of HRD systems,
these processes were set right. HRD systems can contribute towards the
development and maturity of these processes.
i) Organisational Climate   ii) Communication    iii) Learning Organisation
iv) Organisational Change   v) Organisational Development  

2.9 HUMAN RESOURCE OUTCOMES:

Human Resource Development processes should result in more
competent, satisfied and committed people that would make the organisation
grow by contributing their best to it. It is important to mention here that:

- HRD processes operating simultaneously affect the outcome.
- HRD processes are many, whereas outcomes are few.
- If HRD outcomes are not present in an organisation at a satisfactory
  level, then one need to question the adequacy (qualitative and
  quantitative) of the HRD process in that HRD outcomes should be
  evident with the following objectives.
  1. More competent people
  2. Commitment and more involvement.
  3. Better utilisation of human resource
  4. Job satisfaction and motivation
  5. Respect for each other at workplace
  6. Better organisational health
  7. Better generation of internal recourses
  9. Collaboration among different units of organisation
  10. Self-renewing capabilities which in turn increase the capability of
      individuals, dyads, teams and entire organisation.
  11. Team spirit and functioning in every organisational unit.

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Private Ltd., 2003, pp 104-112
HRD outcomes influence the organisational effectiveness:

Dimensions of Organisational Effectiveness can be measured under the following heads:

- High productivity.
- Growth and Diversification of Units
- Cost Reduction
- More Profit
- Better Public Image of the organisation.

The linkage between HRD outcomes and organisational effectiveness are not easily demonstrable due to the influence of several other variables in determining productivity.13

2.10 HRD MECHANISMS:

Many HRD mechanisms are available to develop the competencies of employees and improve the overall organisational climate. The major ones are discussed below:

1. Performance Appraisal:

Performance Appraisal has become increasingly important tool for organisations to use in managing and improving the performance of employees, in making timely and accurate staffing decisions and improving the overall quality of the firm’s products and services. The appraisal process is the formal way of evaluating the employee’s performance. Its purpose is to provide an accurate picture of post and future employee’s performance, to meet this performance appraisal is set. The targets are based on job related criteria that best determine successful job performance. The possible actual performance is measured directly and objectively. Using a wide variety of techniques, specialists select an appropriate method to measure an employee’s actual

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performance against the previously set targets. The process is used to strengthen the effort of performance linkage.

Appraisals help an organisation to communicate its expectations regarding performance and connection between performance and reward to employees. They increase employees’ confidence and employees’ feedback and their efforts are being adequately rewarded. The feedback is offered through an evaluation interview. Here, the rater tries to give both positive and negative sides of the employee performance. To be useful, raters or supervisors use HRD orientated appraisals as a mechanism to:

- Uncover difficulties faced by the subordinate while handling assigned task and try to remove these hurdles.
- Understand the strengths and weaknesses of subordinates and help the subordinates overcome the obstacles in the way.
- Encourage subordinates to meet problems head-on, accept responsibilities and face challenges with confidence and courage.
- Plan for effective utilization of the talents of subordinates.

Instruments or devices used for collecting data on behavioral aspects to help derive tentative generalizations like other instruments, HRD instruments have deferent types of (what is to be measured, or diagnosed) units that have some internal consistency and uses on index of some kind of express the result of the analysis / diagnosis.

**Objectives of Performance Appraisal**

Performance appraisal has been expected to achieve various objectives in an organisational setting. Appraisal serve to monitor the efforts of individual, to integrate and co-ordinate individual efforts into a co-operative endeavour to provide protection and feedback to the individual, to provide a means of correcting or commending the efforts of individuals, and to provide an equitable and consistent basis of distributing reward and penalties. It is
obvious, therefore, that there has been a very wide range conception of the objectives to be achieved by an appraisal system. It has also been seen in a narrower context by many who feel that its predominant use has been for evaluation of past and current performance of employees.  

A good performance appraisal system should have the following objectives.

A) Administrative: Decision for promotion, salary increase, placement, transfer, discharge etc., and organisation planning.

B) Motivation: Appraisal interviews, counselling, participation in goal setting and work planning, self appraisal etc., are the part of motivation.

C) Development: Counselling, training and development and communication of the employees.

D) Performance Development: Through MBO and other goal setting and work planning processes.

Both behaviour and performance outcomes are appraised through performance appraisal. “Behaviours emanate from the performed and transformed performance from abstraction to action. Behaviours are the product of mental and physical effort applied to tasks. Every appraisal system is stressed on assessment of personality traits and constructive way to the job itself. Now-a-days there has been a swing from appraising. Job related behaviour and abilities to assessment of outcome or results achieved.

Need and Importance of Performance Appraisal

The performance appraisal has been considered as the most significant and indispensable tool for an organisation for the information it provides is highly useful in market decisions regarding various personal aspects such as promotions. Performance also measures information gathering and decision –

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14 Brij Mohan A “Performance Appraisal” Training Manual for Non-Academic Staff in Distance Education 1993 pp224-225
making process which provides a basis for judging the effectiveness of personnel, sub-divisions such as recruitment, selection, training and compensation. An accurate information plays a vital role in the organisation. It helps in pinpointing weak to see which of the employees need training or counseling, because jobs are grouped by categories. These categories can be broken into smaller and smaller groups, if necessary. If valid performance data are timely available the management can maintain consistent promotion and compensation policies throughout the total system.15

**Functions of performance appraisal**

Levinson has mentioned three functions of performance appraisals.

1) It seeks to provide an adequate feedback to each individual for his/her performance.

2) It purports to serve as a basis for improving or changing behaviour towards some more effective working habits.

3) It aims at providing data to managers / supervisors with which they may judge future job assignments and compensation.16

**Factors affecting performance**

The following are the factors which affect the performance of an individual and are, therefore, of relevance to performance appraisal.

- The quality of performance is greatly influenced by the quality of superior. Subordinate relationship, particularly in non-mechanical tasks.

- Superior – subordinate relationship which are supportive and facilitative in nature are more productive and satisfying than control based relationship.

- Tasks requiring innovation and growth require greater superior support than those where only maintenance is needed.


• Clarity of goals in terms of quality, cost and time limit exert a major influence on performance.
• Performance is high where goals are dynamic. Growing task requirement involving increased help in building subordinates.
• Performance is better if the task-requirement (goals) is fixed in collaboration with the subordinate concerned.
• Performance is low where feedback is lower or where the psychological consequences of failure are adverse, e.g. loss of status or self-esteem.
• Performance is high where the employee has a high degree of awareness of his capacity and of the potential of his task.
• Counseling for improvement in performance is more acceptable to a subordinate where the advice is backed by objective factors and he/she can perceive an intention on the part of the superior to help him in the effort to improve.17

**Performance appraisal concerns mainly three purposes – They are:**

a. **Administrative decision:** Promotion, transfers and allocation of financial rewards.

b. **Employee development:** Identification of training and development needs and performance feedback.

c. **Personnel research:** Generation of manpower information.

Besides, salary and wage determination, performance appraisal is also used for training and development, career planning, man-job matching, promotion, helping supervisors to know their subordinates, helping the employees to know their achievements and failures etc.18

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17 Brij Mohan A “Performance Appraisal” Training Manual for Non-Academic Staff in Distance Education 1993 pp224-225
Uses of Performance Appraisal

Some of the common uses of appraisals include

- Determining appropriate salary increases and bonuses for workers based on performance measure.
- Determining promotions or transfers depending on the demonstration of employee strengths and weakness.
- Determining training needs and evaluation techniques by identifying areas of weaknesses.
- Promoting effective communication within organisations through the interchange of dialogue between supervisors and subordinates.
- Motivating employees by showing them where they stand and establishing a data on appraisal for rendering assistance in personnel decisions.

Organisations use performance appraisals for three purposes – i) Administrative, ii) Employee development, and iii) Programme assessment. Programme appraisals commonly serve for administrative purpose by providing employers with a rationale for making personnel decisions, such as decisions relating to pay increases, promotions, demotions, terminations and transfers.¹⁹

2. Potential Appraisal:

The term ‘potential’ refers to the abilities possessed by an employee but not put to use currently or the abilities to assume challenging responsibilities in future assignments. The term ‘performance’ refers to one’s skills, abilities in meeting the requirements of the job which one is holding currently. Potential appraisal is different from performance appraisal which shows the employee’s current performance in his existing role. If the employee is required to play a

¹⁹ A.M.Sharma “Personnel and HRM” Himalaya publishing House New Delhi 2003, pp117-118
completely different set of roles at the higher levels, potential appraisal needs to be carried out at regular intervals.

The potential appraisal refers to the appraisal i.e., identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organisational hierarchy. Many organisations consider and use potential appraisal as part of the performance appraisal processes.

“The objective of potential appraisal is to identify the potential of a given employee to occupy higher positions in the organisational hierarchy and undertake higher technologies.” The appraisal is carried out on the basis of (i) supervisor’s observations; (ii) performance data relating to various previous roles played by an employee; (iii) performance on roles in simulating to a new position. A good potential appraisal system helps management to pick up a suitable candidate for a given job and offer additional training facilities, if necessary.

The purposes of a potential review are:

1. To inform employees of their future prospects;
2. To enable the organisation to draft a management succession programme;
3. To update training and recruitment activities;
4. To advise employees about the work to be done to enhance their career opportunities.
Techniques of potential appraisal:

1) Self – Appraisals. 2.) Peer appraisals. 3) Superior appraisals. 4). MBO’
5). Psychological and psychometric tests. 6) Management games like role
playing
7) Leadership exercises etc.

Potential appraisal helps to identify what can happen in future so that it
can be guided and directed towards the achievement of individual and
organisational growth and goals. Therefore, potential should be included as a
part of the Performance appraisal in organisations.

The Potential for Improving Performance, or PIP, measures the
performance of the average worker versus the best person performing a
particular task. Large differences suggest that performance can be improved by
bringing average performance closer to the best performance. Small differences
suggest little potential for improvement.

The following are some of the requirements and steps to be followed when
introducing a potential appraisal system:

Role Description: A good potential appraisal system would be based on clarity
of roles and functions associated with the different roles in an organisation.
This requires extensive job descriptions to be made available for each job.
These job descriptions should spell out the various functions involved in
performing the job.

Qualities Required: Besides job descriptions, it is necessary to have a detailed
list of qualities required to perform each of these functions. These qualities
may be broadly divided into four categories – (1) Technical knowledge and
skills, (2) Managerial capabilities and qualities, (3) Behavioral capabilities, and
(4) Conceptual capabilities.
**Indicators of Qualities:** A good potential appraisal system besides listing down the functions and qualities would also have various mechanisms for judging these qualities in a given individual. Some of the mechanisms for judging these qualities are – (a) Rating by others, (b) Psychological tests, (c) Simulation games and exercises, (d) Performance appraisal records.

**Organising the System:** Once the qualities required to perform these functions are indicated the qualities and mechanisms for generating these indicators are clear, the organisation is in a sound position to establish and operate the potential appraisal system. Such establishment requires clarity in organisational policies and systematisation of its efforts.

**Feedback:** If the organisation believes in the development of human resources it should attempt to generate a climate of openness. Such a climate is required for helping the employees to understand their strengths and weaknesses and to create opportunities for development. A good potential appraisal system should provide an opportunity for every employee to know the results of assessment. Employee should be helped to understand the qualities actually required for performing the role for which he thinks he has the potential, the mechanisms used by the organisation to appraise his potential, and the results of such an appraisal.

A good potential appraisal system provides opportunities continuously for the employee to know his strengths and weaknesses. These are done through periodic counseling and guidance sessions by either the personnel department or the managers concerned. This should enable the employee to develop realistic self-perceptions and plan his own career and development.\(^\text{20}\)

\(^{20}\) Neelankavil, Nora and Iwik Sthalkar “Mid-Career Coursing: A Participative HRD Option” IJTD May-Jun 1991, pp 33-34
Career Planning and Career Development:

Individual career planning assumed greater significance with the growth and speed of knowledge, phenomenal increase in educational and training facilities and widespread increase in job opportunities. Similarly, organisational career planning also gaining importance with the change in technology, human needs, value and aspirations, increase in organisational size, complexity and various systems are operating at different levels. At this juncture, HRD system is creating this facilitative culture through its subsystems that would ensure individual growth and a long term commitment to the organisation. Career planning is one of the important subsystems which contribute towards better HRD.

“A career is a sequence of positions occupied by a person during the course of a life time “Career development means the development of the general and technical and managerial career in the organisation, career paths of the employee is the foreseeable future in the organisation with the help of the reporting manpower planning and potential appraisal. Career planning gets closely linked with these components of the human resource system. Career Planning is a participative process. Organisation does not have unilateral control over employee’s career. Both organisation and individual are responsible for career planning.

Career planning is a process of integrating the employees’ needs and aspirations with organisational needs. Career programmes and HR programmes are linked to the degree that they help each individual meet individual and organisational requirements.

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In the HRD system, the long term growth plans of a company are not kept secret. They are made known to the employees. The subordinates should be assisted in planning their careers within the company. It is, however, not necessary that each one of them would scale new heights every year but at least they are aware of the opportunities and get ready for greater challenges ahead. Career planning doesn’t guarantee success. But without it, employees are rarely prepared to encash the opportunities that come on their way.

**Important Elements of Career:**

Career has following important elements:

- It is properly sequenced job related activity. Such job related activity vis-à-vis experience include role experiences at different hierarchical levels of an individual, which lead to an increasing level of responsibilities, power, achievement and rewards.

- It may be individual-centered or organisational centered. Individual-centered (internal) career is an individually perceived sequenced of career progression within an occupation.25

The process of career management can be classified into two parts

1. Career planning
2. Career development

1. **Career planning:**

A career is the job that is held during ones working life. Edwin B Flippo defined a career as a sequence of separate but related work, objectives that provide continuity, order and meaning in a person’s life. Douglas T. Hall defined a career as “an individually perceived sequence of attitudes and behaviours associated with work related experience and activities over time span of persons life”.

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A career path is sequential pattern of jobs that form a career. Career goals are the future positions one strive as part of a career. Career planning is the process by which one selects career development. They are personal improvement which one undertakes to achieve a personal career plan. Career management is the process of designing and implementing goals and strategies enable the organisation to satisfy employee needs while allowing individuals to achieve their career goals.26

In the HRD system the long term growth planning of a company are kept secret. They are made known to the employees; major changes are discussed at all levels to promote understanding and commitment among employees. The immediate concern of employees would be to find out where they stand in such a road map. Since managers have information about the growth plans of the company they should be assisted in planning their careers within the company. It is however, not necessary that each of them would scale new heights every year but at least they are aware of the opportunities and get ready for greater challenging ahead. But without it, employees are rarely prepared to encash the opportunities that come on their way.27

2. Career Development:

Career development programmes are not of recent index. There are four steps in establishing a career development system they are;

- Needs : define the present system
- Vision: determining new directions and possibilities
- Action plan: deciding on practical first step and so on
- Results: maintaining the change.28

28 Ibid 72-73
3. Training and Employee Development:

Training has gained importance in present day environment where jobs change rapidly. Training is a learning experience designed to achieve a relatively permanent change in an individual that will improve the ability to perform on the job. Employee development on the other hand is a future oriented training process, focusing on the personal growth of the employee. Both training and development focus on learning. Training programmes should not be designed as quick fixes for organisational problems, nor should they depend on faddish techniques just because they are popular now and are followed by our next door neighbor. Instead, training should be planned to meet the specific needs of the organisation and its employees. To survive and grow in a competitive environment, organisations have to motivate their employees to get ready for all kinds of future challenges.

Training is the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's, capacity, and performance. It forms the core of apprenticeships and provides the backbone of content. In addition to the basic training required for a trade, occupation or profession, observers of the labor-market recognized the need to continue training beyond initial qualifications: to maintain, upgrade and update skills throughout working life. People within many professions and occupations may refer to this sort of training as professional development. Training and development is a subsystem of an organisation. It ensures that randomness is reduced and learning or behavioral change takes place in structured format.

29 R.K. Sahu, “Training for Development all You need to Know”, Anurag Jain for Excel Books, New Delhi, 2005,
Traditional and Modern Approach of Training and Development

Traditional Approach – Most of the organisations before never used to believe in. They were holding the traditional view that managers are born and not made. There were also some views that training is a very costly affair and not worth. Organisations used to believe more in executive pinching. But now the scenario seems to be changing.

The modern approach: The Indian Organisations have realized the importance of corporate training. Training is now considered as more of retention tool than a cost. The training system in Indian Industry has been changed to create a smarter workforce and yield the best results.31

Training and Development Objectives:

The principal objective of training and development division is to make sure the availability of a skilled and willing workforce. In addition to that, there are four other objectives: Individual, Organisational, Functional, and Societal.

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organisation.

Organisational Objectives – assist the organisation with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department’s contribution at a level suitable to the organisation’s needs.

Societal Objectives – ensure that an organisation is ethically and socially responsible to the needs and challenges of the society.32

31 MG Jomon “ Human Resource Development in Real Time” 2003, pp 91-95
32 Ibid 95-96
Identifying Training Needs

There is a great scope for improvement of working personnel in their job satisfaction. The problem faced by individuals, groups, departments, divisions, and organisations as a whole may be identified through structured discussion and opinion surveys.

Defining Training Objectives

Generally, the training programmes are organised to import knowledge, skills, attitudes and competencies of people to perform the assigned job effectively. The objectives must be measured. The trained personnel should be able to utilize their knowledge and competencies to solve identified problem in the organisation. In order to achieve this objective the programmes should have an application orientation.

Structure of Training Programme

The content of the programme should be derived by analysis and activities should be performed by the trained manpower and their present competencies. The programme should be flexible, modular, credit based, and application oriented. The programme should optimize learning by utilizing on the job learning experience and class-room teaching.  

Objectives of Training

Objectives of training methods can be determined generally as below.

a) Increase job satisfaction and morals among employees
b) Increase employee motivation
c) Increase efficiency in processes, resulting in financial gain
d) Increase capacity to adopt new technologies and methods
e) Increase innovation in strategies and products
f) Reduce employee turnover
g) Enhance company image, e.g., conducting ethics training

h) Risk management, e.g., training about sexual harassment, diversity training etc.

Objectives of orientations are different from other methods, because they are given for the new employees of the organisation in the beginning of their career at organisation. Orientation should emphasize the following topics:

(i) The company's history and mission.
(ii) The key members in the organisation.
(iii) The key members in the department, and how the department helps to fulfill the mission of the company.
(iv) Personnel rules and regulations.

Objectives of the telling methods give an idea about the training area. Sometimes written parts also can be seen in this method, but generally this method gives an understanding about the learning area.

Showing methods create a picture among trainees mind and it helps to bring the trainee to real situations and that helps to practice decision making and general understanding in wide area, than telling method. This method also helps to increase the creativity of the trainee.

Role playing generate leaders and decision makers. Such kind of things help the trainee to get a deep understanding about the learning and working area. Such training can be used for junior management levels and finally can make a competence, skillful employees. Job rotation reduces the individuals stress. By this training method, employer or management can assign the trained employee to fill an internal vacancy, without giving training again. This will help the smooth flow of work at the organisation. Such trainings help to reduce absenteeism of an employee.
Technical training is unique for a job. Most of technicians are specialized in their field. So these technical trainings reduce wastage and accidents while maximizing the profit of a firm or the line. These kind of trainings create efficiency in the organisational production.

Discussion technique involves the participation of the trainees in actual work. Trainee is allowed to ask any related questions. Sometimes cases are also used for actual situations. These methods generate discussions between the trainee and the trainer. This can be used in several of organisations relating to their works.

Some methods cannot be determined as a part of above mentioned training types, because they have some specific characters or a combination of above types. Those various specific training methods are discussed below.

a) Orientations - Orientations are conduct for new employees. The beginning days on the job are crucial for the success of new employees. This point is illustrated by the fact that 60 percent of all employees who quit do so in the first ten days.

Some companies use verbal presentations while others have written presentations. Many small businesses convey these topics one-by-one in orientations. No matter what method is used, it is important that the newcomer understand his or her new place of employment.

b) Internship and assistantship – These are usually a combination of classroom and on - the -job training. They are often used to train prospective managers or marketing personnel.

c) Programmed learning - Programmed learning, computer-aided instruction and interactive video all have one thing in common: they allow the trainee to learn at his or her own pace. Also, they allow material already learned to be
bypassed in favor of material with which a trainee has a difficulty. After the introductory period, the instructor need not be present, and the trainee can learn at his or her own time. These methods sound good, but may be beyond the resources of some small businesses.

d) Laboratory training – This is conducted for groups by skilled trainers. It is usually conducted at a neutral site and is used by upper- and middle management trainees to develop a spirit of teamwork and an increased ability to deal with management and peers. It can be costly and usually is offered by larger and small businesses. Most of the research and development institutes are used this method and this will be the most effective training type to such kind of institutes.

e) Technical training – There are numerous fields in which technical training are offered which cover the jobs such as that of draughtsman, mechanics, toolmaker, designers, mechanics, electrician, technical officers and technical assistants etc. For training in crafts, trades and in technical areas, apprenticeship training is the oldest and the most commonly used method. Apprenticeship develop employees who can do many different tasks. They usually involve in several groups of skills that allow the apprentice to practice a particular trade, and they take place over a long period of time in which the apprentice works for, and with, the senior skilled worker. Apprenticeship training is especially appropriate for jobs requiring production skills.

Role playing training:

Role playing and simulation are training techniques that attempt to bring realistic decision making situations to the trainees. Likely problems and alternative solutions are presented for discussion. There is no better trainer than experience is exemplified with this type of training. Experienced employees can describe real world experiences, and can help in and learn from developing the solutions to these simulations. This method is cost effective and is used in
marketing and management training. Sometimes role playing activities can be categorized under the discussion methods too.

Job rotation also can be mentioned as a role playing method. Job rotation involves moving an employee through a series of jobs so he or she can get a good exposure to the tasks that are associated with different jobs. It is usually used in training for supervisory positions. The employee learns a little about everything. This is a good strategy for small businesses because of this an employee may be asked to do, many jobs and this strategy is used to manage individual stress at organisations.

**Training Methods:**

- **On-the-job training:**

  Training in an organisation can be divided into two broad types. They are on-the-job training and off-the-job training. On-the-job training is given to the employees while they are conducting their regular works at the same place. In this way they do not lose time while they are getting training. After a plan is developed for what should be taught, employees should be informed about the details. A time table should be established with periodic evaluations to inform employees about their progress. On-the-job training techniques include orientation, job instruction training, apprenticeship, internship, assistantship, job rotation and coaching.

- **Off-the-job training**

  Off-the-job techniques include lectures, special study, audio visual conferences or discussions, case studies, role playing, simulation, programmed instructions, and laboratory training. Most of these techniques are too costly.
Methods of training can be basically divided into four types, namely,
A) The telling method. B) The showing method
C) The role playing method. D) The discussion technique.  

Training objective should be specific for the particular segment of the event of an organisation. As mentioned above, the training objectives may be different from one organisation to another; but the objective to be specific for that organisation or to specific to a part of that organisation. The above objective is specific and the employees should be trained for achieving that objective. Even the above objective can be different from a testing services division. R and D is trial and error method or product development basis and testing services is based on evaluation methods or quality assurance of developed product basis. It definitely may be definitely different from marketing and sales division of an organisation.

Another important thing of the establishing training objectives is that it should be measurable. From a specific method or a process or generally, the objective can be measured. If the objectives cannot be measured, the evaluation of the training is difficult. Therefore, a good training objective should be measurable. The training objective should be made achievable by trainees. If the training objectives cannot be achievable by trainees, it is also an error of setting training objectives. The training programmes should motive employees of an organisation; and not frustrate them. For motivating people and training them in a correct way, there should be achievable objectives. So Implementing ISO 9000:2001 quality system among R and D Division should be achievable. If the R and D Divisions cannot implement the quality system anyhow, that objective is not achievable for R and D institutes rather than production oriented organisation. While setting non achievable training objectives, trainees may feel that training will not affect them; and it may be only time consuming

34 Sahu. R.K. “Training for Development all You need to Know”, Anurag Jain for Excel Books, New Delhi, 2005,
process. In an organisational level, time consuming for non profitable activity is not good. It may become a reason for profit losses and destroy skillful employees’ and skills too. Competent employees may not like to spend their valuable time for non achievable activity and it may create stress in their minds too. The absenteeism, accidents, and less concentration in work may then increase in the organisation. So there must be set achievable training objectives when the training programmes are designed for employees.

The training programme should be relevant to an organisation or to the employee. Sometimes employees may receive some e-training programmes which are not directly relevant to their current fields; but it may have a good opportunity to adapt to new potential to the employee. Some kind of general training also have to be involved making employees as “Generalists” not specify to a particular field, which is suitable for most firms. The generalist concept is most suitable to most organisations because the employer can rotate employees among the organisation in to several types of job responsibilities to them. The job rotation is a suitable process to reduce individual stress in organisation. Employees must have general knowledge and abilities to do assigned tasks well. Training and development programmes can bring the employees up to that standard. In the case of specialised jobs there have to be a direct relationship between training and the job responsibilities.

In both on-the-job and off-the-job training methods, training objectives should be time bound, because the trainee takes time to develop skills in him. When considering off-the-job type trainings, during the training period, the organisation may not have a maximum contribution for the production function. Even in on-the-job type training, there is low contribution from the employee’s to organisation during the training periods. Therefore, to minimize this additional time consumption, the training should be time bound. Training programmes and training objectives should be co-ordinated effectively. For that
purpose, there should be a specific time period to end up the training and develop the trainee.

**Organisation Development and Rewards:**

OD may be defined as a change effort that is planned, focused on an entire organisation or a large subsystem, managed from the top, aimed at enhancing organisational health and effectiveness and based on planned interventions made with the help of change agent or third party who is well versed in the behavioral science.

Organisation development is an ongoing, systematic process of implementing effective organisational change. OD is known as both a field of science focused on understanding and managing organisational change and as a field of scientific study and inquiry. It is interdisciplinary in nature and draws on sociology, psychology, and theories of motivation, learning, and personality. Although, behavioral science has provided the basic foundation for the study and practice of OD, new and emerging fields of study have made their presence felt. Experts in systems thinking and organisational learning, structure of intuition in decision making and coaching whose perspective is not steeped in just the behavioral sciences but much more multi-disciplinary and inter-disciplinary approach, have emerged as OD catalysts or tools. Organisation development is a growing field and is responsive to many new approaches.

Kurt Lewin (1898–1947) a widely recognised as the founding father of OD, and the concept became popular in the mid-1950s. From Lewin, came the ideas of group dynamics and action research which underpin the basic OD process as well as providing its collaborative consultant/client ethos.

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These procedures became important parts of OD as developments in this field continued at the National Training Laboratories and in growing numbers of universities and private consulting firms across the country.36

The failure of off-site laboratory training is to be live up to its early promise was one of the important forces stimulating the development of OD. Laboratory training is learning from a person's "here and now" experience as a member of an ongoing training group. Such groups usually meet without a specific agenda. Their purpose is for the members to learn about themselves from their spontaneous "here and now" responses to an ambiguous hypothetical situation. Problems of structure, status, communication, and self-serving behavior typically arise in such a group. The members have an opportunity to learn something about them and to practice such skills as listening, observing others, and functioning as effective group members.37

As formerly practiced (and occasionally still practiced for special purposes), laboratory training was conducted in "stranger groups," or groups composed of individuals from different organisations, situations, and backgrounds. A major difficulty developed, however, in transferring knowledge gained from these "stranger labs" to the actual situation "back home". This required a transfer between two different cultures, the relatively safe and protected environment of the T-group (or training group) and the give-and-take of the organisational environment with its traditional values. This led the early pioneers in this type of learning to begin to apply it to "family groups" — that is, groups located within the organisation. From this shift in the locale of the training site and the realization that culture was an important factor in

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influencing group members (along with some other developments in the behavioral sciences) emerged the concept of organisation development.\textsuperscript{38}

Hence, it is a highly erroneous impression to think that the OD function is the extension of a personnel management function. On the other hand, professional social work, defined as the function of enabling human beings, especially the vulnerable and the weak human beings, is nearest to the HRD functions if not an inseparable part of it.

2. **Rewards:**

People do what they can do to satisfy their needs. They choose to behave in way which will maximize their rewards. The most obvious reward is pay but there are many others. Intrinsic rewards come from their job itself such as feelings of achievement, pride in doing a job etc. Extrinsic rewards come from a source outside the job including pay, promotion and benefits offered by management. Reward could be linked to performance as well to motivate high achievers to do well. If rewards are allocated completely on non-performance factors such as seniority, job titles etc. then employees are likely to reduce their efforts.\textsuperscript{39} Now a day’s organisations also use team based rewards to motivate empowered work teams to exceed established targets.

3. **Employee Welfare and Quality of Work Life (QWL):**

The term employee welfare means “the efforts to make life worth living for workmen”. It includes various services, facilities and benefits offered to employees by the employers, unions and govt. The purpose is to improve the living standards of workers and thereby improve the quality of work life. Employees voluntarily extend a number of benefits to employees in the hope that these indirect compensation plans motivate employees to perform better. Over the years, the types of benefits offered have been expanding in line with

\textsuperscript{38}Western S, “What do mean by Organisational development” Krakow; Krakow Adviso Press, 2010.  
Quality of Work Life (QWL)

The term Quality of Work Life means different things to different persons for example- to floor level employee who is on an assembly line it may just mean a fair days pay, safe working conditions and a supervisor who treats him with dignity. To an young recruit, it may mean opportunities for advancement, creative tasks and a successful career.

The factors contributing to Quality of Work Life are:

1. Adequate and fair compensation.
2. A safe and healthy environment.
3. Jobs aimed at developing and using employee’s skills and abilities.
4. Jobs which can allow employees to grow in the organisation, jobs aimed at expanding employee’s capabilities, rather than leading to their obsolescency.
5. An environment in which employees develop self esteem and sense of identity.
6. Protection and respect for employees rights to privacy, dissent equity etc.
7. A sensible integration of job career and family life and leaser time.

Quality of Work Life covers all aspects of workers life with reference to his/her interaction with his/her work and the environment. The conditions that contribute to motivation (equitable salaries, financial incentives and effective employee selection) will also contribute to the Quality of Work Life. Some of these activities like job enrichment contribute indirectly to the Quality of Work Life by tapping the workers higher order needs and motivating them with other
activities may contribute directly to the Quality of Work Life providing for a safer work place, less discrimination on the job, and so forth\(^4\).

Systematic efforts are made by organisations to give workers a greater opportunity to affect the way they do their jobs and the contributions they make to the organisation’s overall effectiveness. It is a way of empowering employees by giving them a greater ‘say’ in the decision making process. QWL means having good working conditions, good wages and benefits, good leadership, interesting and challenging jobs. QWL efforts include the following:

- **Employee involvement**: Here employees are given the opportunity to participate in the decisions that affect them and their relationship in the company.
- **Quality circles**: These are small group of employees who meet regularly to find, analyse and solve quality and other work-related problems of a particular department/section/area.
- **Socio-technical systems**: These are interventions in the work situation that redesign the work, the workgroups and the relationship between workers and the technologies they use to perform their jobs.
- **Co-determination**: In this method, representatives of workers meet management in a formal way to discuss and vote important decisions that affect the lives of workers.
- **Self-managed work teams**: These are employee groups (also called autonomous workgroups) with a high degree of decision-making, responsibility and behavioural control for completing their work. The team is usually given the responsibility for producing an entire product or service.
- **Suggestion programmes**: It is a formal method for generating, evaluating and implementing employee ideas.

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Open door policies: Where open door policies exist, employees are free to walk into any manager’s office with their problems and seek solutions to such problems. HRD system focuses on employee welfare and QWL by continually examining employee needs and meeting them to the best possible extent.

Human Resource Information System:

Human resource information system (HRIS) is a method by which an organisation collects, maintains and reports information on people and jobs, the information is generally stored in a central human resource data bank, preferably in a computer containing the following details:

- Personal data: Identification, education, reserved category, place of origin, etc.;
- Recruitment data: Entry date, grade in aptitude tests, grade in leadership tests;
- Experience data: Placement history, promotions, tasks performed grade wise;
- Appraisal data: Appraisal on each job, ratings of behaviours in a group, commitment to overall goals, etc.;
- Training data: Nature of training received at each level, current training assignment, etc.;
- Miscellaneous: Health status, personal problems, security needs, record of incentives received, absence & sickness data, etc.;

This information is put to use whenever there is a need to identify employees for certain special assignments. Each of the subsystems described contribute to the achievement of overall HRD goals. Performance and potential appraisal helps an employee develop his role capabilities and prepare himself for future changes. Training improves his learning abilities. Feedback and performance coaching helps him correct mistakes and improve interpersonal relationships. OD promotes the collaborative spirit and self-renewing skills.
Rewards and welfare amenities enrich the life of employees and help them to carry out the assigned tasks with zeal and enthusiasm. It should be remembered that the subsystems discussed above should not be viewed in isolation. They are all inter connected and independent parts. When viewed in isolation, they do not offer the synergistic advantages of a well developed HRD system. 41

2.11 ORGANISATIONAL CULTURE AND CLIMATE:

Organisational culture is the behavior of human beings who are a part of an organisation and the meanings the people attach to their actions. Culture includes the organisational values, visions, norms, working language, systems, symbols, beliefs and habits. It is also the pattern of such collective behaviors and assumptions that are taught to new organisational members as a way of perceiving, and even thinking and feeling. Organisational culture affects the way people and groups interact with each other, with clients, and with stakeholders. 42

According to Ravasi and Schultz “organisational culture is a set of shared mental assumptions that guide interpretation and action in organisations by defining appropriate behavior for various situations”. At the same time although a company may have their "own unique culture", in larger organisations, there is a diverse and sometimes conflicting cultures that co-exist due to different characteristics of the management teams. The organisational culture may also have negative and positive aspects. 43

Organisational culture refers to a system of shared meaning held by members that distinguishes the organisation from the other organisation. This system of shared meaning is, on closer examination, a set of key characteristics that the organisation values. There are seven primary characteristics that, in

aggregate, capture the essence of an organisation's culture. Organisational culture is concerned with how employees perceive the characteristics of an organisation's culture, not with whether or not they like them.

**Concept of Organisational Culture:**

Culture consists of beliefs and behavior. It is cultivated behavior in the sense that it is learnt from the other members of the society. Organisational culture is the totality of beliefs, customs, traditions and values shared by the members of the organisation. Organisational culture stress on sharing of norms and values that guide the organisational members' behavior. These norms and values are clear guidelines as to how employees are to behave within the organisation and their expected code of conduct outside the organisation.

**Nature of Organisational Culture:**

The main features of organisational culture are as follows:

1. Like an individual, every organisation has its own personality.
2. The personality of the organisation defines the internal environment of an organisation.
3. It differentiates an organisation from the others.
4. It is relatively enduring or stable over time.
5. It exercises a significant influence on the attitudes, behavior and performance of organisational members.

Organisational culture is a set of beliefs, assumptions, values, shared feelings and perceptions which influence the actions and decisions taken by the organisational members. For e.g., if the culture encourages innovativeness, any problem will make people take initiative and risks, and try out new ways of

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doing things. On the other hand, if the organisational culture is security oriented, the same problem situation would cause people to start looking for rules, procedures as a mode of response.

"Organisational Climate" is different from "Organisational Culture". "Organisational culture is a relatively uniform perception held by the organisation, it has common characteristics, it is descriptive, it can distinguish one organisation from another and it integrates individual, group and organisation system variables". Each and every organisation has a culture that influences the behavior of the employees toward colleagues, supervisors, subordinates, clients, competitors, etc. Internal environment of an organisation is often referred to organisational climate. This makes one organisation unique; such differences are found in various kinds of employees in terms of personal characteristics of members such as their values, needs, attitudes, expectations, and stay in organisation. When considered collectively, the actions of the individuals become more meaningful for viewing the total impact upon the climate and determining the stability of the work environment. It should be noted that the climate is to be viewed from a total system perspective. While there may be differences in climates within departments these will be integrated to a certain extent to denote overall organisational climate46.

**Elements of Organisational Culture:**

Following are the elements of organisational culture:-

1. **Individual Autonomy:** - In this the individuals have responsibility, freedom and opportunities of exercising initiative that an individual has in the organisation.

2. **Structure:** - In this the organisation creates objectives, performance expectations and authority relationships.

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46Ibid, pp 261-66
3. **Management Support**: - In this the managers provide clear communication, assistance, warmth and support to their subordinates.

4. **Identity**: - In this the members identify with the organisation as a whole rather than with their particular work group or field of professional expertise.

5. **Performance Reward System**: - Reward system of an organisation includes increase in salary, promotions etc., is based on employee performance rather than on seniority and favoritism.

6. **Risk Tolerance**: - In this employees are encouraged to be innovative, aggressive and risk taking.\(^{47}\)

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**Role and Significance of Organisational Culture**:

Each organisation is recognized by its culture. Whenever people name an organisation, the culture attached to the organisation is immediately recalled. One organisation is different from other organisations because of cultural values, beliefs and norms. Following are the functions performed by organisational culture:-

1. Organisational culture creates the boundary beyond which no employee is allowed to go. They automatically observe the organisational standards and norms of behavior.

2. An organisation is well recognized by its culture. The culture of an organisation provides its stability. People like to continue with the organisation. Employees, customers, financers and other related persons like to remain with the organisation.

3. The social recognition of the organisational culture makes the organisation grow and develop in all ways.

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4. Organisational culture acts as a motivator that guides and controls the employees. Satisfied employees get more spirit and enthusiasm for performing their jobs.

5. The attitude and behavior of the employees are directed towards the achievement of goals through a sound culture. Disciplined employees make other employees disciplined and well-behaved.

6. Culture gives rise to a positive attitude and behavior which are again an addition to culture. Culture leads to good behavior and good behavior makes good culture which is useful for better behavior. Both employees and the organisation enjoy culture.

A strong culture ensures better performance. Culture enhances organisational commitment and increases the consistency of employee behavior.

**Types of Organisational Cultures:**

Following are the types of organisational cultures:-

1. **Authoritarian and Participative Culture:** In the authoritarian culture there is centralization of power with the leader, obedience to orders and discipline are stressed. Any disobedience is punished severely to set an example to others. The basic assumption is that the leader knows what is good for the organisation and he always acts in its interests.

2. **Mechanistic and Organic Cultures:** The mechanistic organisational culture has the values of bureaucracy and so is also called "Bureaucratic Culture". Organisational jobs are created around narrow specializations and people think of their careers mainly within these specialization. There is a great deal of departmental loyalty. This sort of culture resists change and innovation. In organic culture formal hierarchy of authority, departmental boundaries,
formal rules and regulations and prescribed channels of communications are found. Emphasis is on task accomplishment, team work, and free flow of communication – formal and informal. There is a understanding within the staff at the time of problems, threats and opportunities the organisation is facing and willingness to take part in solving the problems. The culture stresses flexibility, consultation, change and innovation.

3. **Sub-Culture and Dominant Culture**: Each department of an organisation may have its own culture representing a sub-culture of the system. An organisational culture takes place when there is an integration of all the departments. Within any given unit the tendency for integration and consistency will be assumed to be present, but it is perfectly possible for coexisting units of a larger system to have cultures that are independent and even in conflict with each other.

**Maintaining a Culture**: - Following are the practices that help to maintain the culture:

1. **Selection Process**: - The main purpose of selection process is to select right type of person for the right job. When for a given job two or more candidates with identical skills and abilities are available then the final selection is influenced by how well the candidate fits into the organisation. It is by selecting the candidates who can match the organisational culture, the management can think of maintaining organisational culture.

2. **Actions of Top Management**: - Besides managerial vision the actions of the top executives also have a major impact on the organisational culture. Through what they say and how they behave, senior executives establish norms that help the organisation to take risks, how much
freedom managers should allow their subordinates, what actions will pay off during promotions and other rewards.

**Concept of Organisational Climate:-**

Just as every individual has a personality that makes him/her unique, each organisation has an organisational climate that distinguishes its personality from other organisations. The concept of organisational climate was introduced by human relations in the late 1940s. Now it has become very useful for thinking and describing the social system.

Organisational climate is the summary of perception which people have about an organisation. It is a global expression of what the organisation is. Organisation climate helps to tell about the attitude of the organisational members towards the organisation itself.48

**Features of Organisational Climate:** - Following are the features of organisational climate:-

1. Organisational climate is an abstract and intangible concept. But it causes an impact on the behavior and performance of organisational members.
2. It gives distinct identity to organisation and differentiates it from other organisations.
3. It is a total expression of what the organisation is. It is the summary which people have about the organisation.
4. It is a multi-dimensional concept. It consists of all organisational factors, e.g., authority pattern, leadership pattern, communication pattern, control, etc.

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Elements of Organisational Climate:-

Following are the elements of organisational climate:-

1. **Individual Autonomy**: - It allows the employees to feel free to manage themselves, have decision making power and are not continuously accountable to the higher management. It means that individual have the freedom to exercise responsibility.

2. **Position Structure**: - In this the objectives of the job and methods for accomplishing it are established and communicated to the employees.

3. **Reward Orientation**: - It means an organisation rewards individuals for hard work or achievement. Reward orientation is high when organisations ask people to perform better and reward them for doing so.

4. **Task Orientation**: - If the management is task oriented, the leadership style will be autocratic. The employees will have to speed up the pace of work to please their bosses.

5. **Relation Orientation or Consideration**: - The organisational climate will be considerate and supportive if the managers are relation oriented while dealing with the workers. The needs of the workers will be given due importance. This will produce team spirit in the organisation.

6. **Job Satisfaction**: - The satisfaction the workers get on their jobs is also an important part of organisational climate. The workers feel happy if the jobs are designed to allow the workers to use their innovative skills.

**Organisational Climate and Effectiveness:-**

Every organisation requires organisational climate to realize its objectives. An organisation can be more effective if there are two way communication and employees are co-operative and have better knowledge of
the organisation. Such employees have higher job satisfaction and feel committed to the organisation. Their productivity will also be higher. Thus, good organisational climate helps in employee satisfaction, better human relations and higher productivity.

Organisational climate influences satisfaction and performance through change in behavior in different ways:-

1. It influences behavior through evaluation of the self and others such evaluation is based on different physiological variables.
2. It causes problems upon individual freedom of choice and decision making. The behavior is influenced by attaching different rewards and punishments.
3. It influences the behavior of the employee towards the whole organisation and of his own ability. Ability is influenced by the nature and clarity of the job, degree of freedom, extent of authority, scope of responsibility, supervisory support, training, safety, physical working conditions and previous experience.

Organisational Culture factors includes:

- Innovation and risk taking
- Attention to detailed
- Outcomes Orientation
- People Orientation
- Aggressiveness
- Stability
- Rapid Changes
- Customer Orientation

50 Ibid 162-63
These are different cultural concepts viz.,

- Dominant Culture
- Sub- Culture
- Core Value
- Strong Culture
- Weak Culture
- Mechanistic and Organic Cultures
- Authoritarian and Participative Cultures

**Figure- 2.2**

**Process of Culture Creation**

1. Environmental Analysis
2. Business goal
3. Formulation of strategy
4. Create new cultural values
5. Implementation New Culture Values
6. Achieve New Strategic Values and Strategies

Source: Subbarao P. “HRM & Development” pp 211. 2005

**Human Resource Development Climate:**

HRD climate helps the employees to acquire required competencies that would enable them to execute their present or future expected roles and aids in developing their capabilities for better Organisational Performance. Though the
measures of Organisational Performance are many ranging from financial to behavioural one’s.\textsuperscript{51}

The HRD climate of an organisation plays a very important role in ensuring the competency, motivation and development of its employees. The HRD climate can be created using appropriate HRD systems and leadership styles of top management. The HRD climate is both a means to an end as well as an end in itself. Perception about an organisation’s goals and about decisions that a manager should take to achieve these goals comes not only from formal control systems but also through informal organisation. Both the formal and informal structure combines to create what is called organisational climate. The term ‘climate’ is used to designate the quality of the internal environment which conditions in turn the quality of cooperation, the development of the individual, the extent of member’s dedication or commitment to organisational purpose, and the efficiency with which the purpose becomes translated into results. Climate is the atmosphere in which individuals help, judge, reward, constrain and find out about each other. It influences morale and the’ attitudes of the individual toward his work and his environment.\textsuperscript{52}

The most important aspect of organisational culture are the values it practices. Eight values may be examined to develop the profile of an organisational culture that is called OCTAPACE; it indicates Openness, Confrontation, Trust, Authenticity, Proactive, Autonomy, Collaboration, and Experimenting.

a) **Openness** - the openness in the system should influence the design of HRS. Organisations can be classified in continuum from completely open to completely close. No organisation may be on the two extremes of the continuum. However, they will tend to be towards one or the other end. The

\textsuperscript{51} Ajay Solkhe and Dr. Nirmala Chaudhary “HRD Climate and Job Satisfaction” International Journal of Computing and Business Research” Volume 2 Issue 2 May 2011.

degree of openness of the organisation will be an important factor in
determining the nature of the various dimensions of HRD being designed,
as well as the way in which these dimensions should be introduced.
Organisations which are fairly open may start with several confronting
designs of HRS.

b) **Confrontation** - this term is used in relation to putting the problem in front
rather than the back to escape the problems. A better term would be
confrontation exploration that implies facing a problem and working jointly
with other concerned to find its solution. If an organisation encourages
people to recognize a problem, bring it to people concerned, explore with
them to understand it and search possible ways of dealing with it.

c) **Trust** - Trust is another factor which should be considered along with
openness. If the level of trust is low, the various dimensions of HRS are
likely to be seen with suspicion; therefore, the credibility of the system may
go down. In such a case the system if introduced may become a vital and
cease to perform the main functions for which it is meant.

d) **Authenticity:** is the value underlying trust. It is the willingness of a person
to acknowledge the feelings he/she has, and accept him/her as well as
other who relate to him/her as persons. Authenticity is reflected in the
narrowest gap between the stated vales and the actual behavior. This value
is important for the development of a culture of mutuality.

e) **Proactive** - can be contrasted with the term react. It is the later action in
response to an act from some source, while in the former the action is taken
independently. Pro-action means anticipating issues in advance and
responding to the needs of the future.

f) **Autonomy** - nothing but willingness to use power without fear and helping
other to do same. It multiplies power in system and the basis is
collaboration.

g) **Collaboration** - involves working together for a common cause.
Individuals instead of solving their problems by themselves share their
concerns with one another and prepare strategies and work out plan of action and implement them together.

h) Experimenting - as a value emphasizes the importance given to innovating and trying out new ways of dealing with problems in the organisation.

Factors influencing Human Resource Development Climate

The following factors work as an enabling force for the enhancement of human resource development climate:

- Top Management Style and Philosophy.
- Personnel policies.
- Self-renewal Mechanisms.
- Attitudes of Personnel and Supportive Attitude on the part of Human Resource Development and Personnel policies.
- Commitment of Line Managers.