CHAPTER - ONE

EVOLUTION OF HUMAN RESOURCE DEVELOPMENT - A THEORETICAL PERSPECTIVE

- Introduction
- Evolution of the Management of Human Resource
- Emergence of Personal Management
- Human Resource Management
- Human Resource Development
- Significance of Human Resource Development
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The executive or the manager of a firm is a dynamic element in production. Without managerial skill, experience and competence, no firm can survive. In the early stages of industrial evolution, technology was considered to be main factor responsible for economic growth. But soon after the teething period of 'Industrial Revolution' it was felt that technology did not contribute much without the active support and cooperation of human resource. Any organisation with an objective or goal to achieve would have many resources namely human, financial, physical information etc. The most important of them, is the people in an organisation, or the human resources. This is because people are the active agents who accumulate capital, exploit natural resources, build social, economic and political organisations and carry forward national development. Therefore, the effective performance of an organisation depends not just on the available resources but also on its quality and competence as required by the organisation from time to time. While every other resource, such as material, machine and even finance can be bought if one pays the right price, the only resource that cannot be bought perse is motivated human resource. Motivated people will have to be developed and nurtured by managerial competence that can possible only through systematic and effective HRD system which can convert "Ordinary people" into "extra ordinary" performers.

Human Resource has been defined as 'human factor' comprising of interrelated, inter-dependent and interacting physiological, psychological, sociological and ethical components. The term 'Human
Resource refers to the knowledge, skills, creative abilities, talents, aptitude, value and beliefs of an organisation's workforce. Thus, human factor is more dynamic and complex in nature unlike other factors of production. While talking about the human resource we have to take into account all the people working in the organisation it is necessary to think about the worth of the managerial and supervisory personnel as well as the shop floor workers because each worker is constituent of the organisational set up and no one can ignored comprehensive and integrated view, may be taken to improve the organisational climate, culture and effectiveness.

In most of the traditional type organisations human resource is considered as a mere commodity and costing factor in production and less priority is given to the development of human resources. If any financial stringency to be exercised, the first to be affected adversely is the budget of human resource. However, the mind set is changing and more importance is given to human resource. The present practices in our country reveals that there is not only growing awareness of the value of human resource but many of the leading enlightened industrial organisations have started activities in the personnel department towards making a fair use of the potentialities of the human resources.

With the rapid changes in the environment, organisation have to pay increased attention to human resource as they have to adjust to the improved technology. One of the qualities for successful human resource managers is to develop a global mindset by creating a clarity of vision,
knowing the global Human Resource Development (HRD) scenario, understanding the global and local balance and constantly adjusting to the situation. All the above areas of focus indicates that the job of the human resource professionals will be a very demanding one. This places responsibility on those at the top of the profession, and those concerned with the education and career planning of human resource managers to ensure that aspiring human resource professionals acquire the knowledge and competencies to act as business and performance manager as well as Human Resource Management specialists. It is therefore, necessary for organisation to invest in human resource, not only for its growth and development but also for the very survival of the organisation in an increasingly competitive and fast changing environment.

**EVOLUTION OF THE MANAGEMENT OF HUMAN RESOURCES**

**Pre-Industrial Revolution:**

'The field of management of human resource as a subject of study is of relatively recent origin. However, the concepts upon which recent management theory have been based is having their roots in history as early as 40 BC Chaldean had incentive wage plans'. During per-Industrial era the status of work was low which needed a drastic change. As Megginson observes the status of labour was very low and the human relationships between the employer and his employees were characterised by "Slavery", "Serfdom" and the "Guild system" Slaves performed varied services from different manual tasks to specialised
agricultural, military and clerical responsibilities. As slavery was based on negative incentive it proved to be ineffective as an economic institution and a system of employment. In the feudal system slavery was replaced by Serfdom. The serfs were neither slaves nor hired labourers. Positive incentive distinguished between serfdom from salvery as it enhanced the productivity and decreased the need for supervision. During the end of middle ages the serfdom disappeared with the growth of manufacturing and commercial enterprises as prevailing economic forces. This led to the development of the guild system which involves the master-crafts, the travelling (journey) men and apprentices which were all a closely knit group. This led to development of a system involving selection, training, developing, rewarding and maintaining workers. This marks the beginning of the management of human resources.1

Industrial Revolutions:

The Industrial Revolution followed the guild system with the emergence of a new energy source and steam engine. This also brought changes in the old economic, social and political system. These changes were precipitated in manufacturing, by a new economic doctrine and by invention and utilization of new tools, processes and machines. The economic doctrine was based upon the French concept of Laissez faire and laissez passer which meant that an individual should be permitted to make what he wanted and to go where he please.2 Initially, the Industrial organisation followed the "Cottage system" where the work was
performed in the homes of the workers. The factory system gradually replaced the cottage system. This doctrine of Cottage system arose a new economic freedom to the workers and enhanced their specialisation. During Industrial Revolution Era several injustices were done with the workers under the cover of economic freedom and system was accompanied by unhealthy work surroundings, long working hours, fatigue, monotony strain, likelihood of accidents and allied repercussions that reduced the importance of personnel relationships, and workers lose the gratifying feeling of being individually significant to the performance of task. Therefore, need was arised to change the environment of social and economic with a view to providing satisfactory working conditions. Efforts were made in this direction. 'Robert owen a pioneer in management was paying attention to the welfare of the employees. He wanted the industry to provide a decent living to all those engaged in it. In his approach to the problems of industry he had two underlying principles first, "whatever may be the motives which induce any given individual to engage in industry its true basic purpose must be service of the community." And the second, "Industry is a human thing is which men and woman earn the means to a life worth living." All these development inculcated the inevitable proposition that management of people is as important as other management. It leads to the emergence of personnel management.'
EMERGENCE OF PERSONAL MANAGEMENT:

a) Global Perspective:

Personnel management is the child of scientific management and the awakened sense of social responsibility, enunciated in the countries of the west at the end of the 19th century. The term "Personnel Management" was originated in America but other terms used from time to time and still in use can be taken as synonymous such as labour welfare, industrial relations or human relations in industry.

Personnel management at first became a part of scientific management, particularly in connection with employment, testing, placement, wage determination and performance evolution. Large scale use of personnel management originated in America just after the world war I in 1917. After the war a group of experts formed a consulting company to conduct research and consultancy in personnel problems of industry. Accordingly Modern Personnel Management was initiated in 1920. At that time workers formed a crucial group in the workforce. There working conditions were dissatisfactory. They were a source of discontent and caused serious problem to society. Attempts were made by personnel experts to correct managerial fallacies. The relationship between management and labour changed and attempts were made to have more cooperation between them. This was followed by a major breakthrough in personnel management by Elton Mayo's His Hawthorne experiments had created a new movement - the human relations movement. The human relation movements which had a far reaching
impact on personnel management. Along with Elron, Gilbreth and Mary Parker were interested in the training and development aspects of management. They had also given attention to the psychological aspects of workers' behavioural patterns. All these studies and experiments assisted in the gradual evolution and development of theory and practices of personnel management. There were also other events and influences at work aiding in the rise of personnel management. The labour shortages during the world wars and various labour problems on account of union organisation resulting in strikes, absenteeism and labour turnover posed a challenge to management. Employee-employer relation had become complicated because of development of trade unions. The big size of corporation also made it necessary to have managers devoted to the management of people as these organisations employed thousands of employees.

It is clear from above discussion that concept of workers' welfare provided the source of inspiration to the entrepreneur for establishing personnel department. It began with welfare work and it stressed on management relationships with individual employees. Personnel departments were also called 'Health and Happiness' department.

b) Indian Perspective:

'Kautilya provides a systematic treatment of management of human resources as early as in the 4th century BC in his treatise titled Arthashastra. As it has been described in the third section of the book,
there prevailed logical procedures and principles in respect of labour organisations such as Shreni or the guild system and the cooperative sector. The wages were paid strictly in terms of quantity and quality of work turned out, and punishments were imposed for unnecessarily delaying the work or spoiling it. Whereas on the other side several indications of prevalence of guild system involving performance of work at the residence of the entrepreneurs themselves.\(^7\) In course of time, the guild system was followed by the cooperative sector consisting of craftsmen and traders, purporting to promote their professional interests. Indeed, numerous professional societies were formed on these lines with their own systematic procedures and policies to nurture their own interest.\(^8\) There are several indications regarding the operation of principles of the division of labour. The concept of varnashram or caste system was originally based on these principles. The individuals who used to earn their livelihood by engaging themselves in activities such as teaching, sacrifice or state management were designated as Brahmins, while those specialising in fighting were termed as Kashatriyas.

Moreover, individuals engaged in the areas of trade, business and agriculture were called Vaishyas, and those devoting themselves to manual work were known as shudras. Later on, these professions emerged to be hereditary which facilitated the transfer of skills and training from one generation to another.\(^9\)
PERSONNEL MANAGEMENT AS A MATURE FIELD:

From the above discussion we have seen the evolution of Personnel management since then the field of personnel management began to mature and considerably change and expanded more and more emphasis was being placed on workers. Its activities started including all gamut of management. This will be more clear from the definition given by different management gurus.

'Stephens defined personnel management as the process of attracting, holding and motivating people. People can be attracted to an organisation if they are provided security, promotion, recognition etc. which enable them to satisfy their economic, psychological and social needs. For this, steps are required to be taken to see that people are properly retained in the organisation. Policies and programmes affecting the fate of the employees need to be designed and implemented in a way that they result in good motivation and high morale of the employees. Thus, dynamic personnel management aims at acquiring and maintaining an able and efficient labour force in the industrial organisations and to motivate them to get the best efforts for the accomplishment of organisational goals also provides them maximum satisfaction out of their jobs'.

'Likert is of the view that "Every aspect of a firms activities is determined by the competence, motivation, and general effectiveness of its human organisation. Of all the tasks of management, managing the
human component is the central and most important task, because all other areas depend upon how well it is done'. Whereas Pigors and Mayers say that Personnel management is a method of developing potentialities of employees so that they get maximum satisfaction out of their work and give their best efforts to the organisation.  

From the above definitions it may be stated that the personnel management is related to that aspect of management which on the one side ensures proper utilisation of manpower and on the other side creates an environment where people have the ability, skill and willingness to contribute. Although both these areas are interrelated and dependent on each other, it is felt that the first one refers to the technicalities, system, planning etc. and the other related to development of human resources for not only optimum utilisation but also maximisation of satisfaction and motivation of people.

As the field of management began to mature the responsibilities such as manpower and organisational planning, management development programmes and personnel research were prevailing over initial responsibilities of preliminary screening, recruiting and collective bargaining. There are some trends which influenced personnel administration these are -

1. The growing power of union
2. The improving economic position of employees.
3. The exploding technological revolution.
4. The changing role of management.

5. Greater knowledge of human behaviour.

Because of these changing trends, a new management of human resource has developed. Attempts were being made to adopt a more scientific approach towards selection, training, development and for motivation of employees. The fullest utilization of an employee's talent was the main object to be achieved. As the individual were being provided with participation in the organisational activities as a measure to counterbalance the lack of intrinsic satisfaction in their jobs, which they had lost because of lack of proper knowledge and skill. Attempts were also being made to provide overall development of individual persons in terms of their knowledge, skills, creative abilities, talents and sense of achievement. Therefore, the main activities of the personnel department were designed to increase the effectiveness of each member of the organisation. Indeed, the personnel manager has become increasingly concerned with increasing profit through the people. The major contribution of the human resources was no longer its energy and labour power rather, decision making, analysis, innovation, organisation and application of knowledge along with mental, verbal and written skills were the vital profit producing activities of labour. Explicitly, personnel management has emerged to be the management of brain power more than muscle power, and the average worker has become an educated professional. Thus, personnel management accomplished maturity during 1960's and 1970's.12
With the emergence of professionalism in personnel management, development of knowledge, skill, attitude including purely vocational training has added another dimension to personnel management and these circumstances forced organisation to change their structure, policies and processes. It leads to the emergence of the concept of Human Resource Management in 1980.

![Evolution of HRM](image)

**Fig. 1**

**HUMAN RESOURCE MANAGEMENT**

The term 'HRM' is a modern term for what has traditionally been referred to as personnel management. The origin of HRM as a defined school of thought is usually traced back to 1970s with the development of Human Resource Accounting Theory (Flamholtz, 1974). Earlier to this theory human resources were considered to be just a cost. Like other organisational resources their value was derived from their ability to render services which had economic value. Human resource
accounting emphasised that human resources were assets for any organisation. It was defined as a process of identifying, measuring and communicating information about human resources to decision makers, specially about their cost and value. This view began to gain support in the 1980s.¹⁴

Many companies have retitled their personnel department and offered human resource services, HRM is the part of the process which determine what people are required, how to use them, how to get them, and how to manage them. As Laziness, corruption, lack of concern for the welfare of others, lack of efforts to secure knowledge, skill and education are the guiding phenomena in the development of human resources.¹⁵ It is a concept which attributes utmost importance to employee satisfaction, commitment, participation and empowerment. Managing people is no more just a reactive personnel function but is an important concern of HR strategy a new organisation has emerged seeking to integrate HRM with the overall business strategy.

The whole process of HRM in relation to the organisations is shown in fig. 2.
From the above fig. it is clear that HRM is a range of strategies, processes and activities designed to support corporate objectives by integrating the needs of the organisation and the individual that comprise it.

Therefore, HRM is one of the most important managerial functions encompassing with in its ambit all aspects of the organisational interactions with people, whether with in itself, or in the society around it. It is based on the premise that people are a vital resource contributing to the fulfilment of the organisations goals and objectives and involves the planning and implementation of a wide array of activities for building up a conducive work environment and ensuring the optimum utilisation of HR for the benefit of both the individual and the organisation.
Fig. 3

OPERATIVE FUNCTION OF P/HRM

Purpose of Organisation
Objectives of Organisation
Objectives & Policies of P/HRM
Operative Functions of P/HRM

Human Relations

Compensation & Management

HRD

Development

Performance Appraisal

Recruitment

Selection

Induction

Placement

Job Analysis

Organisation Design

Career Planning & Development

Management Development

Training

Organisation Change and Development

Job Satisfication

Moral

Communication

Communication & Disiplinary

Grievance & Disciplinary

Quality Circles & Work Life

Procedure
Human resource management activities differ from firm to firm and there are certain broad functions of HRM which can be classified into two categories i.e.

1. Managerial function

2. Operative function

Managerial function of HRM involves planning, organising directing and controlling whereas operative function are related to specific activities of HRM i.e. employment, development, compensation and relation shown in fig. 3 These function have to be performed in conjunction with managerial functions.¹⁸

It is clear from the above chart that HRM is concerned with improving contributions of people towards the effectiveness of the organisations. Their contributions can be assessed in terms of specific human resource outcomes i.e. attraction, performance, retention, attendance and satisfaction. These outcomes can be influenced by matching job requirements and rewards with individual ability and motivation. To accomplish this matching the HR department performs a set of activities and these activities reveal management's personnel programmes, policies and procedures and influence both directly and indirectly the match between individuals and jobs. The indirectly activities or support activities are analysis of individuals and jobs, assessment of outcomes, i.e. performance appraisal and human resource planning. The functional activities include: external staffing, internal
staffing and development, compensation, labour relations and work environment quality circles, job design, and safety programmes. These activities are highly interrelated and influenced by external factors - economic conditions, laws and regulations, labour market and labour unions. Thus, HRM attaches more importance to people in the organisation. This is mainly because organisations are realising that human assets are the most important assets they can have and their contribution to the organisation is much more than any other resource being used.20

From the above discussion we can conclude the overall development of HRM in the following stages -

1) Welfare stage (1915 to 1920)
2) Personnel administration stage (1930's)
3) The developing stage (1940 to 1950) of personnel management
4) Personnel management as mature stage (1960's to 1970's)
5) HRM phase 1980's
6) HRM phase 1990's

The first stage of HRM the welfare stage includes the provision of welfare facilities of an employees such as canteen and efforts to look after employees interests. In the personnel administration stage, recruitment, basic training and record keeping activities also appeared in work situations. In the third stage the developing stage of personnel
management, the whole range of personnel activities emerged. The welfare officers became staff or labour manager and they were subsequently involved in industrial relations. Fourth stage, the mature stage of personnel management, organisation and management development and manpower planning are embodied in the activities of personnel management. There was sophistication of selection, training, performance appraisal and salary administration and these things make the personnel management professionalised.

During fifth stage the concept of HRM which emerged was to overcome the personnel management problems and also when personnel specialist attempted to cope with the enterprise culture and market economy.

Human resource and business strategy were integrated to evolve strategic HRM approaches. Performance-related incentives emerged as a motivational device Personnel managers became more business and strategic management-oriented. The power of trade unions declined causing less focus on industrial relation. Finally, in the current stage, there is more focus on teamwork, empowerment and learning organisations. Specifically, the role of HR in the total quality has become imperative. There is increasing stress on processes such as culture management. Emphasis is also towards leaner, more flexible and delayered organisations.

From the above discussion we can say that the 'HRM' represents the discovery of personnel management by chief executives. It is
legitimate to define HRM as a particular approach to the management of the employment relationship with a distinctive set of HR policies and practices. They are designed to produce specific outcomes to secure the greater commitment of employees and promote synergy in order to increase organisational effectiveness. The new environment poses significant challenges to the top managements of Indian industry which may be summarised as follows

1. Better planning of HR
2. Compete for better Quality HR
3. Pay more attention to caring for people and retaining them.
4. Accelerate development of HR.
5. Make such better utilization of HR.
6. Prepare for the inevitable separation and handle them more sensitively.

To cope up with these challenges the HRM amounts to a new model regarding the management of human resources which is still
emerging. It is composed of policies that promotes mutuality—mutual
goals, mutual influence, mutual respect, rewards and responsibility. With the increase in the knowledge base of employees and increasing attention towards self development the primacy of the individual is emerging and there is an increasing awareness that human resource is the most important resource of any organisation. All other resources such as technology, money, equipment etc. can contribute towards the effectiveness of an organisation only when they are managed by motivated and committed people. The need to adopt to these challenges has been felt because people are more educated and as such their levels of expectations are much higher than it was before, the introduction of improved technology which requires the employees to have higher levels of skills and accountability and the existence of employment opportunities outside the organisation which has resulted in greater mobility of quality workforce. It is in this context, need is there for organisation to react and adapt to the changes in the environment and these circumstances lead to an emergence of Human Resource Development (HRD) which is a positive concept in HRM. It aims at overall development of HR in order to contribute to the well being of employees, organisation and the society at large. HRD become a major subsystem of HRM.

INTRODUCTION OF HRD

HRD enables employees to sharpen their capabilities and serve the organisation in a more productive manner. Further human beings also
have a need to develop themselves professionally. Development is acquisition of capabilities. Capabilities that are needed to do the present job or the future expected job as well. Development of human resource is essential for any organisation that would like to be dynamic and growth oriented. Unlike other resources, HR have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, being to surface, mature, and use the capabilities of people. HRD systems aim at creating such a climate.

The term HRD came into use only in the early seventies. By the middle of seventies it was gaining more acceptance, but was being used by many as merely a more attractive term than 'Training and Development'. While introducing the HRD many organisations were under the impression that it was nothing but training and developing concept. Some companies started renaming their training and development departments as HRD departments and some have created new departments. Later some other personnel management functions like performance appraisal, potential appraisal, career planning and development, feedback and counselling, organisational development and data storage system are included as sub-systems of HRD. According to Lippin the HRD system depends on -

1) Work itself which generates a higher degree of responsibility for the employees.

2) The individuals personal and professional growth.
3) The improved quality output as a result of increased responsibility.

4) Organisation as an open system.

The HRD system should be such that it should maintain all people involved. It should develop newer and creative qualities in employees.26

CONCEPT AND NATURE OF HRD

HRD is newly adopted and a very popular approach in the modern industrial world. There has been an increasing realisation that the organisation success is dependent on the synergy created by its human resources. Growth can only be ensured through appropriate collaboration and amalgamation of various personnel around organisational goal or taste. It is therefore, essential to create an appropriate work culture environment and ethos which would provide the impetus for achievement and accountability. This is one of the major tasks of any management. This concern has given rise to the concept of HRD.

HRD concept is multi-dimensional. It is mainly concerned with developing the skill, knowledge base meaningful organisation and sound relationship for increased productivity, quality goods and enhanced profitability. It is people oriented concept. The concept of HRD was formally introduced by Leonard Nadler in 1969 in a conference organised by the American Society for Training & Development.27
According to American Society for training & Development "HRD should be an entrepreneurial function, to increase the importance of the HRD".28

Leonard Nadler Defines HRD as "Those learning experiences which are organised, for specific time and designed to bring about the possibility of behavioural change the term learning experience refers to purposeful or intentional learning not incidental learning".29

According to John E. Jones- "HRD is an approach to the systematic expansion of peoples work-related abilities, focused on the attainment of both organisational and personal goals".30

Professor C.S. Sanker observes "HRD is a development oriented planning effort in the personnel area which is basically concerned with the development of human resources in the organisation for improving the existing capabilities for achievement of the corporate and individual goals.31

Prannath explained "HRD is not a engineering process having a set of mechanism".32

T.V. Rao explained "HRD in the context of organisation according to him it is a process by which the employees of an organisation are helped in a continuous and planned way to-

1) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
2) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and or organisational development purposes.

3) Develop an organisational culture in which superior subordinate relationships, team work, and collaboration among sub-units are strong & contribute to the professional well being, motivation and pride of employees.  

From the above definitions it is clear that the term HRD is mainly refers to training, education, and development. According to them training is focused on the present job, education and the future job & development is concerned with providing learning experience to employees so that they may ready to move to new directions and dimensions that the organisational change requires and from organisational point of view it is a process in which the employees of an organisation are helped or motivated to acquire and develop technical, managerial and behavioural knowledge, skills, and abilities and mould the value, beliefs, attitudes and aptitude necessary to perform present and future roles by realising highest human potential with a view to contribute positively to the organisational group, individual and social goals.

On the other hand Parnnath observes that the mechanism and techniques such as performance appraisal, organisation development training and development and career advancement etc. are used to initiate
and promote HRD process in a continuous way because the process has no limit. The mechanism 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 purpose, and by exemplifying an HRD philosophy that values human beings and promotes their development. These techniques are inter-linked, and form a new system reinforcing each other. \(^{35}\) Where as American society of training and development observes that HRD managers should be a problem solver, risk taker, interdependent rather than remedial teacher, caution taker and dependent. He should create opportunities for the employees in place of minimising performance gaps.

Therefore, 'HRD is an integrated strategy and planned development process for effective utilization of human resources of work 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 i.e. staff, skill, style, and superordinate goals. The focal point of HRD is optimum utilization of human resource i.e. to maximize the contribution of human resource for the achievement of organisation goals of management and satisfying the overall human needs of the men who work in the organisations at all levels from chief executives to operatives. \(^{36}\)

Thus, we may conclude that HRD is an important concept in any organisation. In a broad sense HRD is the process of increasing
knowledge, will, and capacities of all the people by which the people in a given society. In National context, HRD is the process by which the people in various groups are helped to acquire new competence continuously so as to make them more and more self-reliant and simultaneously develop a sense of pride in their country.

In economic terms, it means accumulation of human capital and its effective utilisation for the development of economy. In political term HRD prepare people for active participation in the political process from the social and cultural point of view the development of human resources enriches life.

As far as Industrial organisation is concerned HRD is three pronged, focusing on people - the 'Human' aspect where people are having skills, potential and the ability to grow, change and develop. The 'Resource' aspect where individuals are considered resources rather than problems and the 'Development' aspect, where there is an emphasis on the discovery and nurturing of their potentials.

**SIGNIFICANCE OF HRD**

HRD is a multidimensional concept which is still in the developing stage although man-management is as old as human resources. Quantum change and a paradigm shift in a turbulent world, have revolutionised the way business is to be carried out. This decade has been the globalisation of business with intense competition amongst the local as well as the international players. We have moved away from the
seller's market to customer driven market. The boundaries have practically disappeared. Even in India, the Government has had to unshackle the business from regulations and controls. All this has brought in the need for a total change in mind-sets while the whole gamut of corporate management needs a review; a hard look is needed at the utilization and effectiveness of its most critical resources - the human resource.

The term human resource refers to the knowledge, skills, creative abilities, talents, aptitude, values and beliefs of an organisation workforce. The more important aspects of human resources are aptitude, value, attitudes and beliefs. But, in a given situation, if these vital aspects remain the same, the other aspects of human resources like knowledge, skills, creative abilities and talents plays an important role in deciding the efficiency and effectiveness of an organisations workforce. However, enhancement of utilisation value of human resources depends on improvement of the human resource aspects like skill, knowledge, creative abilities and talents and moulding of other aspects like values, beliefs, aptitude and attitude in accordance with the changing requirements of groups, organisation and society at large. This process is the essence of HRD. It is clear from this interpretation that HRD improves the utilisation value of an organisation.

The effective performance of an organisation depends not just on the available resources but its quality and competence as required by the organisation from time to time. The difference between two nations
largely depends on the level of quality of human resources. Similarly, the difference in the level of performance of two organisations also depends on utilisation value of human resources. Moreover, the efficiency of production process and various areas of management depends to a greater extent on the level of human resource development.

HRD assumes significance in view of the fast changing organisational environments and need to the organisation to adopt new techniques in order to respond to the environmental changes. The changing environmental factor include

i) Unprecedented increase in competition within and outside the country consequent upon the announcement and implementation of economic liberalisations, and

ii) Changing trends towards human resource management and complexities involved in it.\(^{37}\)

Trends towards market economy are more prevalent in most of the countries including the erstwhile communist countries. These trends towards marketing economy resulting in severe competition not only among the industries in the globe but also industries within the nation. This competition allows only the industries strong in all respects to continue in the market and the other industries are forced to withdraw from the market.

The vitality of human resources to a nation and to an industry depends upon the level of its development, organisations to be dynamic
growth-oriented and fast changing should develop their human resources. That's why the organisation possessing competent human resources grow faster and can be dynamic. Though the positive personnel policies and programmes motivate the employees, buy their commitment and loyalty but these efforts can not keep the organisation dynamic and fast changing. Organisation to be dynamic should possess dynamic human resources. Human resource to be dynamic acquire capabilities continuously, adopt the values and beliefs and aptitude in accordance with changing requirements of the organisation. Similarly when employees use their initiative, take risks, experiment, innovate and make things happen, the organisation may said to have an enabling culture. The competent human resource can be dynamic in an enabling culture. Thus the organisation can develop, change and excel, only if it possess developed human resource. Dynamic and developed human resource is possible when organisations adopt the following techniques of HRD.

1. Organisation development
2. Performance appraisal
3. Career planning and development
4. Training
5. Potential appraisal and development
6. Executive development

**Organisation Development:**

Organisation development is of recent origin and forms an outgrowth of the efforts to develop managers. Organisation development
may be defined as an effort planned, organisation wide, and managed from the top to increase organisation effectiveness and health through planned interventions in the organisation's processes using behavioural-science knowledge. An organisation development programme involves a systematic diagnosis of the organisation, the development of a strategic plan for improvement and the mobilisation of resources to carry out the effort.

This function includes research to ascertain the psychological health of the organisation because organisations growth and development are closely intertwined with the objective and motives of its human resource. The positive or negative aspect of motive have a bearing on the stability and development of the enterprise. Organisational dynamic is a function of tasks, technology, structure and people. These components are inter-related and inter-dependent, a change in one produces alternations in one or more of the other components. Of these, people represent the most crucial variable, because unless the people are willing to accept the need and responsibility for organisation development, intended development can never be effected. This means when people are bent upon making thing work, no absurdity of structure or anything else can come in their way. Thus, whatever the concepts of synthesis an organisation adopts, it must recognise that in the final analysis, results can only be adopted through people and it is the human resource that holds the key to sustained profitability & growth. This implies that commitment, dedication and enthusiasm of people have an overwhelming
impact on the effectiveness of an organisation. The integrated HRD systems therefore, become crucial in enhancing of an organisational effectiveness. In this quest for effectiveness, the clear responsibility for all managers is to be effective because they are responsible not only for their own behaviour but also for the performance of their subordinates.\textsuperscript{40}

**Career Development:**

Career development relates to the readiness for progression through a series of positions during an individual's working life. Career issues emerge as a result of increasing stress of the organisation on developing its human resources and growing expectations of the individuals regarding what they need to facilitate career growth as they become educated. Career has been defined as individually perceived sequence of attitudes and behaviours concerning work-related experiences and activities over the span of an individual's life. In other words, it involves an individual's perception career and forms a process or sequence of activities which occur with unfolding of their work life.

Therefore, career development is a joint responsibility of both the individuals and the organisation. While the personnel department of the organisation is required to share this responsibility with individuals including managers and employees, they in turn must take the initiative for career planning and preparing themselves for future job through development programmes and experience. In addition, it is the
Performance Appraisal:

Performance appraisal is the step where the management find out how effective it has been in the HRD programmes. The term appraisal means evaluation of the performance of employees. Evolution of employees performance or potential provides data about past, present, and expected performance so that appropriate decisions can be made and it involve quantitative and qualitative assessment of employee performance. According to Douglas McGregor- "Formal performance appraisal plans are the means of telling a subordinate how he is doing and suggesting needed changes in his behaviour, attitude, skills or job knowledge". With increasing number of professional managers, behaviourism and organisation development concepts, the performance appraisal has undergone tremendous changes. According to Fred Luthans, "Today, performance appraisals are used not only for wage increases, transfers, promotions and layoffs, but also as a means of communication, motivation and development of all employees in the organisation". The appraisal system provide useful information to the management for decision making about manpower of the organisation. That's why many organisations began to utilise the performance appraisal interview between the manager and the subordinate, during which the subordinate strengths and weaknesses are discussed, concerns are shared and the
subordinate is given the opportunity to defend or improve any deficits in their performance.

An HRD-oriented performance appraisal is used as a mechanism for supervisors to-

1) Understand the strengths and weaknesses of their subordinates and help the subordinates to realise these.

2) Understand the difficulties of their subordinates and try to remove these difficulties.

3) Helps the subordinates to become aware of their positive contributions.

4) Encourage subordinates to accept more responsibilities and challenges.

5) Help subordinates to acquire new capabilities.

6) Plan for effective utilisation of the talents of subordinates.\(^4^4\)

Therefore, performance appraisal help to develop mutual understanding, and the data generated are reported to the higher management and is used in making decisions about individual employee development as well as developmental needs of the world group or the entire organisation.

Training:

Each organisation needs to have well trained and experienced people to perform the activities that have to be done. Training is one of
the most vital tools of HRD and according to Chinese scholar "If you wish to plan for a year sow seeds, If your wish to plan for a ten years plant trees, if you wish to plan for life time develop man".45

This statement highlights the importance of training man. As training is a learning experience in that it seeks a relatively permanent change in an individual that will improve their ability to perform on the job. According to Dale S. Beach "Training is the organised procedure by which people learn knowledge and skill or attitude for a definite purpose".46

Thus, training is a short term process utilising in a systematic and organised procedure by which non executives personnel acquire technical knowledge and skill for specific purpose, while management development is a systematic process of training by which managerial personnel gain and supply skills, knowledge, attitude and insight to manage the work in their organisation effectively and efficiently".47 Therefore, training is the basic and strong mechanism of HRD which contributes directly to the individual development. It is a process of skill building of man, i.e. HRD training is a tool of developing in individual's ability and effectiveness to perform his present and future jobs. It can also strengthen inter-personal relationship, increase team work and collaboration and reduce the wastages. Training also improves the productivity and efficiency with the help of improved quality and high morale. Thus, it is a tool of the individuals advancement and organisational effectiveness." 48
Potential Appraisal and Development

In organisations that subscribe to HRD, the potential (career enhancement possibilities) of every employee is assessed periodically. Such assessment is used for developmental planning as well as for placement. It is assumed under this system that the company is growing continuously. It may be expanding in scale, diversifying its operations, introducing technological changes, or entering new markets. A dynamic and growing organisation needs to continually review its structure and systems, creating new rates and assigning new responsibilities. Capabilities perform new roles and responsibilities must continually be developed among employees. The identification of employee potential to ensure the availability of people to do different jobs helps to motivate employees in addition to serving organisational needs.

Every year or two, the supervisor of a group of employees assesses the potential of each of them to perform different functions on the basis of the supervisor's observations and experiences during that period. The ideal way to judge a person's potential would be to try the person on each job for which his potential is being assessed.49

Executive Development:

Today organisations need executives with improved knowledge, talents, skills and motivation to meet the changing organisational requirements. Therefore, Executive development is not only an activity that is desirable, but also an activity that an organisation must commit
resources for developing and maintaining a cadre of reliable, competent and motivated executives. Executive development is the process of gradual systematic improvement in the knowledge, skills, attitude and performance of those individuals in an organisation who carry management responsibility. It is actively designed to improve the performance of existing executives and provide a supply of executives for the future and extend the understanding of the management activity.\textsuperscript{50}

Above are the main instruments of HRD programme in any organisation but in this globalised world the most important component of the HRD programme is executive development because management of today is managing for future. As technological changes are facing organisations to adopt new structures and to adopt to the new environment. The obsolescence of certain jobs in the future will make it necessary for organisations to prepare workers with new skills and attitudes to cope with changes. Apart from this 'Quality' is the most important factor for the survival and growth of the organisation. One of the thrust areas of HRD function/programme in future would be the creation of the type of organisational environment that will help to make work more satisfying. Thus, the HRD professionals have to undergo a complete change in attitude, working systems and human relation skills etc. There will be more concern for strategies and innovations. There will be no place for ill-prepared, the indolent, the subservient staffer. But there will be more opportunities for the well trained, imaginative, innovative, up-to-date, alert and aggressive professionals.
Therefore, to develop the HR of any organisation stress must be laid on executive development because the organisations which want to succeed in future needs managers who can learn fast and create a culture of learning. They should have special skills in the strategic, tactical and operational fields to rise to the demands of globalisation. More than that, future executives, their policies, strategies and actions, should bring the desired integration of transient differentiated activities/functions/levels in the organisation to achieve the global focus of organisation. Thus, in this globalised economy executive development is one of the most important component of HRD programme in any organisation which we will discuss in detail in the next chapter.
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