Chapter - I

INTRODUCTION
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The slogan of today's world is development. The development literature of the 1950s and 1960s had paid considerable attention to the role of human beings as human capital, and by 1970s it recognized the development of human resources as the most crucial objective of long term economic growth. There are many factors which determine the potential of a country for economic growth and development viz, the availability of capital, raw material, energy, market, machinery and equipment, entrepreneurial ability and technical and skilled manpower. A country may possess abundant and inexhaustible natural and physical resources and the necessary machinery and capital but unless there are men who can mobilize, organize and harness such resources for production of goods and services, it cannot make rapid strides towards economic and social advancement¹.

There has been a growing awareness since the 1950s about the critical role of human resources in the economic development of nations. Human capital formation is acknowledged as one of the most potent sources for contributing directly and significantly to economic growth. When we think of an organization, the first thought that follows is of the human force, which comprises the organization. No organization without utilization of human resources can bring about all-round socio-economic

changes. Universally, *Men, Materials, Machines*, and *Money* are regarded as the most important factors of production; but human resources are regarded as the only dynamic factor of production. Considering the importance of these resources, they should be managed properly. In fact the success of industrially advanced countries has demonstrated that success comes basically because of two factors, namely,

1. Advanced technology

2. Synergetic Human Resources

Without qualitative improvement of human resources, the chances for betterment of the standard of an organization are indeed remote  

Human beings are not considered now simply wage-earning labour but an asset and purposeful resources of the organization. Speedy changes are taking place in technology and economy. The recent economic liberalization and process of globalization have increased the importance of human resources. Greater stress is now laid on human resource development, and it is now viewed as the key to economic development by the governments of the world. The importance of human resources can be realized from the fact that in India there is a separate portfolio namely, Ministry of Human Resource Development, headed by a full-fledged cabinet minister. It looks after the all-round development of

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human resources in the country. Human resources are the assets or wealth of the country on which it can rely upon at any time. The need of the hour is to develop these resources³.

With growing globalization, the accent has gradually shifted from the legal and welfare approach to viewing the human resource as a tool for development of the total human resources in the organization to meet the challenge of competition. The rapid technological changes have also necessitated this. As a consequence of the economic liberalization in India, there has been tremendous pressure on the government and business enterprises to improve their competitive capabilities. Gearing up to face the emerging opportunities and staying in a competitive environment require greater responsibility and more innovative approaches than have been evident so far. There is also a need for a strong element of professionalisation in managing and developing human resources⁴.

1.1 IMPORTANCE OF HUMAN FACTOR

It is a matter of common knowledge that every business organization depends for its effective functioning not so much on its material or financial resources as on its pool of able and willing human resources. The overwhelming importance of this factor is due to its unique character and from various standpoints of view.

The human resources assume importance from economic


standpoint at national, enterprise and individual levels of analysis. Human resources have been viewed as a form of capital and as a product of investment whereby production is acquired. Human resources account for a large part of national output, and there exists wide scope for enhancing productivity through their proper development. The physical resources will not give results unless the human resources are applied to them. In addition to providing value to the physical resources, these factors provide a dynamic character to the economy. In the achievement of organizational goal, human resources have an important hand. Machines cannot be operated without men, and material cannot be converted into finished product without human involvement. So, human factor involves in almost every aspect of economy. The importance of human resources arises from non-economic factors also. In this era of democracy, agriculture, industry and even government are only service to the people.

Again the concept of freedom of enterprise and equality of persons indicates the importance of human resources. Thus from the political stand, the human resources have a very prominent place in the organization as its participants.

From the psychological standpoint, this resource is animate, active and living. It is man alone who, with his ability to feel, thinks, conceive and grow, shows satisfaction or dissatisfaction, resentment or pleasure, resistance or acceptance for all types of managerial actions. All other resources which are animate, inert and passive do not act in

this way. All emotional problems emanate from human factor only. Human resources are the most complex and unpredictable in their behaviour. A manager can buy a measured number of skilled muscular motions per hour or day, but he cannot buy his initiative, loyalty and devotion. No two individuals have exactly similar psychological frame works. Hence they cannot be interchanged, much less standardised. This implies that all individuals in an organization cannot be treated alike.

From the social view point it is the only resource which appreciates in value with the passage of time. As time passes people become more experienced and skilled. It is not so with other resources which generally depreciate as time goes on, and also are unable to produce an output greater than its input. Man alone can produce through motivated creativity an output greater than the sum of his inputs. No other resource can do this.

1.2 THE CONCEPT OF HRD

Human Resource Development means developing or tapping of hidden qualities in people in order to make them accomplish new functions leading to organizational and individual goals. This concept of HRD is of relatively recent origin. The term HRD was first evolved in the class discussion at George Washington University (USA) and was formally used in 1969 in the American Society for Training and Development Conference. Day by day it had got its momentum and it became more faster after the mid-seventies. Today, it is no more an abstract phrase and it is converted into something tangible and specific.
Nadler defined HRD as 'an organized learning experience within a given period of time with the objective of producing the possibility of performance change.'

According to Prof. T.V. Rao, HRD is a process by which the employees of an organization 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 potential for their own and or organizational development purposes (3) develop an organizational culture in which superior-subordinate relationships, team work and collaboration among subunits are strong and contribute to the professional well-being, motivation and pride of employees.

Human development is a process of enlarging people's choice. It denotes both the process of widening people's choices and the level of their achieved well-being. It is concerned both with the formation of human capabilities such as improved health or knowledge and with the use that people make up their acquired capabilities for work. In short, HRD aims at helping people acquire competence required to perform all their functions effectively and make their organization do well.

Based on practice, the concept of HRD would seem to embrace a broader framework. The concept would broadly include the following:

- Establishing and maintaining a healthy productive work culture.
- Improvement in organizational and technological disciplines.
- Manpower planning for ensuring optimum utilization of human resources.
- Improvement in work practices and higher flexibility of work arrangement.
- Review of the organizational structure to adapt it to changing needs.
- Training and development to prepare employees for the new technologies and higher levels of operation aimed at consistent incremental improvement in performance.
- Improving level of motivation in the organization.
- Attention to systems, rules and procedures with focus on results rather than procedures.
- Strengthening of participant and safety systems.
- Maintaining harmonious industrial relations.

1.3 ROLE AND SIGNIFICANCE OF HUMAN RESOURCES DEVELOPMENT IN BUSINESS ORGANIZATIONS

Obviously, a majority of the problems in organizational setting are human and social rather than physical, technical or economic. The failure to recognize this fact causes immense loss to the nation, enterprise and the individual. It is a truism that productivity is associated markedly with the nature of human resources and their total environment consisting
of interrelated interdependent and interacting economic, political, religious, cultural, sociological and psychological factors.\(^8\)

HRD emphasizes the importance of growth of individuals and their organizations, integration of individual goals with organizational goals, improving performance of individuals and groups and effectiveness of organization as a whole. Industries and organizations in advanced countries have been paying greater attention to human resource as a means to increase productivity, efficiency and gain competitive advantage. The purpose of HRD is to enhance an employee’s ability to successfully handle greater responsibility and it also aims at acquiring a better understanding of people, their needs and aspirations. It seeks to generate an awareness among employees of their role as a resource to the organization for attainment of its goals and thereby minimising the area of conflict between them. It largely helps achieve maximum utilization of the resources in an effective manner and paying employees reasonable compensation in proportion to the contribution made by them. HRD establishes interconnected relationship among the employees to attain maximum individual development which, in its turn, ensures effectiveness in organizations.

HRD has a significant role to play in establishing and maintaining healthy productive work culture. It has to cover workers in its activities, and unless the worker receives attention through systematic

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HRD activities, organizational effectiveness would not improve significantly. In the organizational context, HRD is an instrument for improving effectiveness in terms of better productivity, reduction of costs, better generation of internal resources, better profits and better customer service. Further HRD should be a philosophy running through all policies and actions of the organization and not an assemblage of individual programmes. It is significant to note that the organization would use HRD both as a means for carrying out the associated activities like recruitment, training, manpower planning and also an instrument of changing the culture of employees.⁹

Irrespective of the type of organization, for meeting the challenges of tomorrow, it is essential for us to understand the total management system of a working organization and its relation to the environment, which may be divided into four parts as follow:

- the tasks the organization sets for itself
- the structure which should achieve the task
- technology to meet challenges of the present and future
- people in the organization is ready to take up these challenges.

Therefore, the development of such human resources has to be undertaken with utmost priority combined with caution.

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1.4 HRD PRACTICES

Every organization has the responsibility to develop its human resources if it wants to remain in business, face competition and march towards prosperity and growth. In the modern times of growing awareness, the human resource development is the primary task of any organization. The very survival and growth of the organization depend on human resource development. Now a new awakening has emerged. Organizations have now realized that their employees are human beings, and if they are treated well and their talent is developed, they can be of immense help to them in fostering organizational growth. There are many ways of human resource development through which HRD practices are practised by the management through human resource development department.

The HR department today has to cope with the dual challenges, on one hand from the new breed of employees who are culturally diverse, multi-skilled, have global outlook giving higher priority to challenging, meaningful work and personal growth. On the other hand the challenges are from the employers, who want people with more competence, more than the past average threshold levels and expect the employees to align their personal goals with the organizational goals. HRD is practised by the following mechanisms.

1.4.1 PERFORMANCE APPRAISAL

Human resources of the organization must perform to the best of abilities and up to the set standards. Any deviation from the set standards, specifically ‘below the standard’, puts the organization in a quandary. It is, therefore, essential for every organization to take stock
of the employees' abilities and to know where they lack and make plans to develop their abilities. Performance appraisal is the mechanism of human resource development to assess the contribution of all human resources working at each level of the organization during a specified period of time. The organization must know whether the employees meet the present standard of performance and there is any chance to improve upon so that the training and development programmes be undertaken.10

Performance appraisal, as an informal process, has, no doubt, existed among employers since the point at which the first employee began working. The formal process of evaluation or appraisal is new, and has been growing in use since 1940s. It can be defined as “the process of establishing written standards of performance criteria and both telling employees about those standards and frequently informing them how they are performing in relation to the standards."11 “a formal system for measuring, evaluating and reviewing performance of employees”12

Performance appraisal enables the employees to know as to how they are performing in comparison with set standards. They can then try to improve their performance. It is a well known fact that the employees differ from one another in their skill, competence, abilities, knowledge, strength, aptitude and creativity. Performance appraisal enables the management to know the degree of these differences. It facilitates to know the comparative worth of the employees. The high performers and

competent employees are suitably rewarded and the wrong placing of the human resources is corrected.

It establishes the comparative worth of all human resources of the organization. Performance evaluation is a part of HRD function now. The HR department today has to cope with the new breed of employees who are culturally diverse, multi-skilled, with global outlook, giving higher priority to challenging and meaningful work and personal growth, while, on the other hand, the challenges are from the employers, who want people with more competence, more than the past average threshold levels and expect the employees to align their personal goals with the organizational goals. Performance appraisal emphasises individual development. Now it is used for evaluating the performance of all the human resources working at all levels of organization and of all types. It evaluates the performance of technical, professional and management staff. The techniques used in performance appraisal are now critical incidents group standards, mutual and goal settings.

There has been a significant movement or shift in performance appraisal systems in the Indian organizations over the last few years. In Indian organizations, it is a normal practice to promote people on the basis of their past performance. The past performance of an individual can only reflect whether he has been able to do a given job at a given level successfully or not and is an indicator of the future potential to the

extent. The following shifts in the performance appraisal system have been noticed.

There is a trend to make away from the composite appraisals with multiple objectives (e.g., performance planning, development rewards and promotions) to separate systems for different clusters of objectives.

There is a shift from standard systems to flexible and group-specific ones.

There is also a movement from complacency to experimentation through continuous research and change.

There is also a trend to move away from elaborate systems to simple ones.

Since there is a pressure on Indian organizations to become competitive, the other significant changes that have implications for performance appraisal and other HRD systems include a shift:

From multi-layered large organizations to lean and smaller ones focusing on strategic business units.

From independent existence of various functions to inter-dependent and inter-linked functions.

From closed, individualistic, risk-averse and untrusting culture to open, trusting, collaborative and experimentative one.

From production and selling-obsessed behaviour to quality-conscious and customer-oriented one.
From an operational, reactive HRD function to a strategic thinking and proactive one.\textsuperscript{14}

\section*{1.4.2 POTENTIAL APPRAISAL}

The term ‘potential’ signifies that the latent possibility for growth of an employee gives a prediction for his future effectiveness. This aspect of employee growth, therefore, necessarily needs to be integrated and merged with the overall appraisal process. Under HRD, the appraisal system lays greater emphasis on the development of employees rather than on their evaluation. This objective is better fulfilled by the potential appraisal system which tells about an employee’s capability to successfully assume a new role in future. It is different from performance appraisal which tells about an employee’s present performance in his existing role. It is an indicator of an employee’s future success in higher role only to the extent that the duties and responsibilities involved in the two roles are common. If the employee’s would-be role is going to be different from his present role, potential appraisal needs to be done.\textsuperscript{15}

Potential appraisal may be done either regularly or as and when some post falls vacant. It has been found in practice that the appraisal is generally more objective under the regular potential appraisal system than under the intermittent system.\textsuperscript{16} A good potential appraisal system should

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be based on analysis of different functions required for different jobs as well as understanding of the qualities required to perform these functions. It forms the main basis for decisions relating to promotion, although performance appraisal rating is a significant input for decision on promotion.

Potential appraisal and development deal with the assessment of competence of employees in relation to jobs at higher levels in the future. The assessment can be used to determine the promotionability of an individual to the next higher level.\textsuperscript{17} In Indian organizations it is a normal practice to promote people on the basis of their past performance.

\textbf{1.4.3 TRAINING}

Every organization needs well-trained and experienced employees to achieve its goals. In a rapidly changing society, training of employees is not only an activity that is desirable but also an activity that an organization must commit its resources to, if it is to have a knowledgeable workforce. Training is the most important mechanism of employee-development that directly contributes to the development of human resources. Training refers to the act of increasing the knowledge and skills of an employee for doing a particular job.\textsuperscript{18} Training tries to improve skills or add to the existing level of knowledge, so that the employee is better equipped to do his present job or he gets prepared for a higher position with greater responsibilities and is also able to cope with the pressures of a changing environment.\textsuperscript{19}

\begin{footnotes}
\item[17.] Rao T.V. (1999), \textit{"HRD Audit - Evaluating the Human Resource Function for Business Improvement"}, Response Books, New Delhi, P. 130
\end{footnotes}
Training has always been a necessary part of an organization’s efforts to recruit and effectively employ people in its ongoing processes. Training people to perform organizational task better is one thing; maintaining the organization as an ongoing system is another. Of late, most organizations have been feeling the need to have a full-fledged separate training set-up called either the training or the HRD department. Training is a necessary activity of all organizations. It plays a large part in determining the effectiveness and efficiency of the organization. Training is must for all in organizations. Training programme enables the employees to achieve the reasonable level of acceptable performance.

To be successful, a training programme must have clearly stated and realistic goals. Unless the goals are clearly articulated before training programmes are set up, the organization is likely to train its employees for wrong reasons and towards wrong ends. Training will not work unless it is related to organizational goals. A well-designed training programme flows from the company’s strategic goals. Training sets in motion the process of providing employees with specific skills or helping them correct deficiencies in their performance. It consists of three phases (1) needs assessment (2) development and conduct of training and (3) evaluation. Effective training can raise performance, improve morale and increase an organization’s potential.

Employee development in the real world invariably requires more than a good philosophy of learning. Normally training is given in

the work-place. Training in workplace is a systematic approach to learning and development to improve individual, team. A systematic approach refers to the idea that the training is intentional. It is being conducted to meet a perceived need. Learning and development promote the building up of expertise. The outcome of learning can include changes in knowledge, skills and attitudes. Improvement is measured by the extent to which the learning that results from training leads to meaningful changes in the work environment.24

1.4.4 CAREER DEVELOPMENT

Today’s competitive business environment has forced organizations to restructure and downsize, resulting in fewer hierarchial levels and fewer promotional opportunities for employees. At the same time, companies are under great pressure to either improve productivity or run the risk of falling prey to larger corporations. The creation of new technologies has required individuals to update their skills to avoid becoming outdated or obsolete. Employees themselves have changed their value; they want more self fulfilment in work, and they want to be in charge of their own career planning. They want opportunities for growth in their careers, and they want to expand their knowledge and skills.25

Career means an individually perceived sequence of attitudes and behaviour associated with work-related activities and experiences over the span of a person’s life. Career can be viewed from the individual and

organizational points of view. An individual will plan his career according to his own aspirations. He will assess his talent, capabilities and potentials and join the organization where he feels he has better prospects to advance further.

For the development of employees in the organization, the management must have good career plans and development schemes. Career development plans and programmes are often put into effect to meet the unique needs of a particular employee. Career planning essentially means helping the employees to plan their career in terms of their capabilities with the context of organizational needs. Proper career planning could lead to the fusion of organization's and individuals expectations. HRD system can be strengthened in an organization through this particular tool of career planning and development aimed at generating among employees an awareness of their strength and weakness and helping them to match their skills and abilities to the demand of the organization. Without development of people in the organization, the organization cannot prosper.

It is described as devising an organization system of career movement and growth opportunities from the point of entry of an individual in employment to the point of his retirement. It is generally understood to be a management technique for entire career of young employees in higher skilled, supervisory and management positions. Thus

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it is the discovery and development of talents and planned deployment and re-deployment of these talents. It is also described as a process of synthesising and harmonising the needs of the organization with the innate aspirations of the employees, so that while the employees realize self-fulfilment the organizational effectiveness is improved.

1.4.5 REWARDS

Rewards are designed to attract to the organization individuals with the knowledge, ability and talents demanded by specific organizational tasks. Reward systems have been designed to retain valued, productive employees who must perceive them as fair and equitable relative to the market. Reward systems are designed to motivate individuals and groups within the organization to maintain regular attendance and high standard of performance on the job. Reward systems are designed to promote among its members certain favourable attitudes towards the organization including its various socio-technical components such as supervision, co-workers, administrative practices, the assigned jobs and its technology. Such attitudes and beliefs are often reflected in the employees' loyalty and commitment to the organization, high job involvement and job satisfaction.28

A central and recurrent debate about the role of reward policy within human resource development centres upon the extent to which reward should be treated as an individual or collective phenomenon. There

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has been a strong rhetorical commitment to the view that reward should directly reflect an individual's contribution to the organization. The way in which employees are rewarded is central to the regulation of the employment relationship. It is not surprising, therefore, that the recent emphasis placed upon the workforce as a source of competitive advantage has encouraged a strong interest in methods of rewards. Reward system works as means of pursuing organizational efficiency and effectiveness. The relationship between reward and employee's commitment, particularly as a means of stimulating motivation and improved job performance, is actuated by it. The perception that employees may be committed to various interests beyond and especially within the workplace has consistently encouraged attempts to use rewards as a means of strengthening identification with the pay loyalty to the organization and job. Recent attempts to use rewards to strengthen employee commitment to the organization can be a part of ongoing process, with the prevailing economic, social and political conditions combining to lend weight to managerial endeavours.

1.4.6 INDUSTRIAL RELATIONS

With the accelerated development of industry and with the evergrowing and fast changing scientific, technological and industrial production, the changing ideological values bring about rapid changes in the industrial climate of industrially advanced nations of the world. In

the industrially developing nations, changes in the composition of labour force, in their environments, in their socio-economic status, in their attitude to their work and their rights, in the managements' ideology, in the attitude of the State and in the thinking of the community at large, have a deep impact on the relationship between labour and management. Industrial development occurs mainly on account of harmonious industrial relations. Industrial relations mean the relationship between workers and management and it is the mechanism that solves problems of workers in industrial setup.

Labour problems in usufructuary or even retail handicraft types of industrial organization do not attract public attention. The workers, whenever employed, are few in number, maintain close contact with the management, and the relative position of the management and workers is such that the conflicts, if any, are generally resolved by mutual negotiations. Helped by Industrial Revolution and buttressed by Energy Evolution, it has become possible for the employer now to engage thousands of workers at one and the same time. These employers cannot, and do not maintain personal contact with the workers, who are not infrequently drawn from entirely different regions and who do not even appreciate the implications of the emerging industrial civilization. The loss of worker's individuality and the impersonality are factors which, among others, aggravate labour-management relations.

Industrial development occurs mainly on account of harmonious industrial relations. The cordial industrial relations lead to higher productivity, greater efficiency of the employees and industries and industrial peace in the country. Industrial process is basically a relation-building exercise in which we try to convert industrial, financial, human and environment resources to end products for improving human welfare. Labour is not only an economic aspect, but also a human and social aspect. Industrial relations constitute one of the most complex and complicated problems of the modern industrial organization. The development of healthy industrial relations requires the existence of strong and well-organized trade unions and association of employers in the State.33

Today, the trade unions have achieved a status of being one of the prominent institutions of Indian polity and economic setup. The trade unions render a utility, function of improving the image or status and the lot of the working class as the individual workers and the social group.34

1.4.7 COUNSELLING

People are the most important and valuable asset in organizations. They have emotions, feelings and tender hearts. Emotions are part of the nature of human beings. Emotional upsets are part of human life and there is nothing undesirable or wrong in them. Emotional upsets and negative feelings can create problems, and employees could not overcome them and they lose their confidence and fail to put their mind


in the work. It may reduce their productivity. These problems do not necessarily relate to the work. They cannot work properly and cannot pay their whole attention to their work. The need of the hour is to remove the problem and help the individual regain employee's confidence and esteem and put his strength in work. Counselling can do the magic and help an individual to recover his lost confidence and self-respect because of the problem.\textsuperscript{35} So counselling is the process of helping people who are facing the problems. Counselling means "the discussion of an employee's problem with a view to helping him to cope with it".\textsuperscript{36}

Counselling is a method of understanding and helping people who are upset emotionally. Counselling of employees with industrial problems is within the capabilities of line management in almost all companies and so the responsibility for such counselling should not be shunted off to special staff counsellors.\textsuperscript{37} Counselling is only one form of helping. It is decidedly not the answer to all human difficulties, though it can be extremely productive and significant for some people sometimes. Counselling is one way of working to help people overcome problems, clarify or achieve personal goals.\textsuperscript{38}

Counselling may be classified as directive counselling and non-directive counselling. Directive counselling or the giving of advice used to be standard price with social agencies and workers in the field of personal relations. Non-directive counselling is a counselling relationship

which provides an interested listener to a person with worries. The non-directive counselling allows the person with troubles to talk about his troubles as long as he wishes, without interruption and with an understanding.  

Counselling helps employees cope with problems, it improves organizational performance, because the employee becomes more cooperative, worries less about personal problems or improves in other ways. Counselling also helps the organization become more humane and considerate of people's problems. Counselling usually is confidential, so that employees feel free to talk openly about their problems. It also involves both professional and personal problems, since both types of problems may affect an employee's performance on the job. The general objective of counselling is to help employees develop better mental health so that they grow in self-confidence, understanding, self-control and ability to work effectively.

1.4.8 LIVING, WORKING CONDITIONS AND LABOUR WELFARE

The condition under which the workers work and live assumes another important factor contributing to worker's satisfaction or otherwise and consequently the job satisfaction. In order of priorities, it comes next to the earnings of a worker in the Indian context. For an employee to be able to work at his best, it is necessary that the working and living conditions are satisfactory. Unsatisfactory working and living conditions

produce adverse mental and physical effects on the employee, ultimately causing decline in his efficiency. The HRD system takes care of employee's health and the well being of his family by providing them with better working and living conditions which generally promote a healthy atmosphere of development and motivation among employees.\textsuperscript{41}

Welfare generally refers to policies directed at the aspects of employee's well-being. The notion of welfare involves care for employees, but it is a care which is driven by organizational needs and not by a more embracing, social or religious philosophy. From the perspective of 'tough love' welfare is about providing benefits that employees value and which simultaneously link with the needs of the organizations.

Labour welfare is referred to as betterment work for employees, relates to taking care of the wellbeing of workers by employers, trade unions, and governmental and non-governmental agencies. It is rather difficult to define the term labour welfare precisely because of the relativity of the concept. Labour welfare must necessarily be elastic, bearing a somewhat different interpretation. It, therefore, varies from time to time, from region to region, from country to country.\textsuperscript{42}

\textbf{1.4.9 HRD CLIMATE}

An optimal level of development climate is essential for facilitating HRD. Such a development climate can be characterized as consisting of the following tendencies on the part of the organization.


- A tendency at all levels starting from top management to the lowest level to treat the people as the most important resources.

- A perception that developing the competence in the employees is the job of every manager or supervisor.

- Faith in the capability of employees to change and acquire new competence at any stage of life.

- A tendency to be open in communications and discussion rather than being secretive. (fairly free expression of feelings)

- Encouraging risk-taking and experimentation.

- Making efforts to help employees recognize their strengths and weaknesses through feedback.

- A general climate of trust

- A tendency on the part of employees to be generally helpful to one another.

- Team spirit

- Tendency to discourage stereotypes and favouritism.

- Supportive personnel policies

- Supportive HRD practices including performance appraisal, training, reward management, potential development and career planning.

Organizations differ from one another in the extent to which they have these tendencies. Some organizations may have some of these tendencies, some others may have only a few of these and a few may have most of these. It is possible to work out the profile of an organization on the basis of these tendencies.  

What has been discussed in this chapter gives a clear idea about the importance of human resources in industrial and business organizations. As this research study is about the management of human resources in the Tamil Nadu State Transport Corporation's Madurai Division's Third Division, the ideas that emerge from this chapter have helped this researcher go about the study.

1.5 SCHEME OF REPORT

The report has been organized into six chapters.

The first chapter deals with the concept of human resource development, human factor and the various components of HRD practices.

The second chapter attempts to explain the design of study and review of literature.

The third chapter gives a brief sketch about the road to modern transportation including TNSTC, Nagercoil.

The fourth, chapter is devoted to analysis and interpretation of the data collected on association between the socio-demographic variables and the components of HRD practices.

The fifth chapter deals with the analysis and interpretation of HRD effectiveness in TNSTC, Nagercoil.

The sixth chapter summarises the various findings of the study. Suggestions have been given, wherever possible, for the improvement of HRD practices.