CHAPTER – I

A Perspective on HRD
A Perspective on HRD

1.1 Introduction

The term Human Resources Development (HRD) was originally first used by Leonard Nadler in his classroom discussion at George Washington University, in 1968. He used the term formally in 1969 at a conference of the American Society for Training and Development. The term which was not readily accepted in the beginning by the management fraternity or corporate world, started gaining importance by the middle of 1970. Thus the concept & definition of HRD came into existence.

HRD in general means the development of people for effective utilisation of their knowledge, skills and abilities. HRD can be defined 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 (Pareek, Udai and Rao, TV 1998).

The real wealth of a country, whether it is Japan, USA or India is its people, i.e. its 'Human Resources'. The development of human resource has become a special subject of economic enquiry and now forms one of the main streams of analysing economic development in almost every part of the world.

Economic growth in the developed countries is mostly attributable to their sources of human skills and whereas the capital resources take a second fiddle to these human resources. There has been widespread realisation about the importance of the human factor in the economic development of every human society. Research and experience in social sciences area have indicated that the contributions of physical capital alone can no more be the deciding factor for the development of any human society.
While at the beginning of early 70's the major problem of developing countries and under developed countries was essentially the problem of producing wealth to meet their economic requirements in terms of investment. By the end of the decade it became widely acknowledged that the crucial factor was not production alone but also the capacity to produce, which is inherent in people.

Activities like education and training will certainly improve the quality and as well as the quantity of human resources. Investment in such developmental activities deserves special treatment because of its role in influencing the quality of human resources, the skill composition of the employee force, the overall productivity in the economy and the pattern of economic development.

An organisation's success is determined by the way HRD activities are used in a continuous and planned way, to:

• acquire and sharpen the capabilities required to perform various functions associated with their present or expected future roles.

• develop the general capabilities of its employees so as to exploit their potential for their own and/or organisational development purposes.

• develop an organisational culture wherein the supervisor-subordinate relationships, teamwork, and collaboration among sub-units are strong enough to contribute to the professional well being, motivation, and pride of employees.

People are the most important and valuable resource of every organisation in the form of its employees. Dynamism is inherent in the nature of human beings; as such dynamic people build dynamic organisations. If the employees are effective, then they can contribute to the effectiveness of the organisation in its functioning. Competent and motivated human resources make things happen in the right direction and this will enable
the organisation to achieve its goals and objectives. Therefore, organisations should continuously ensure the development of dynamism, competency, motivation and effectiveness of employees at optimum levels. As such, HRD is very important in the development of 'Human Resources' in an organisation.

1.2 HRD Philosophy

HRD philosophy believes that it is the responsibility of the top management of the organisation to create a congenial climate for development and to make the place of work enjoyable for its employees, so that they may give their best performance for the growth and success of the organisation. This philosophical approach of HRD ultimately leads the people of the organisation to a sense of satisfaction and these are the people, who are working for their growth along with the organisational growth. HRD philosophy assumes that:

- employees feel happy and do their best if they are given a sense of belongingness to the organisation.
- if the organisation cares for its employees, then the organisation creates a sense of belongingness among its people.
- if employees are given opportunities to discover and use their own capabilities it may give immense satisfaction to them.
- the higher the level of the managers, the more the attention these managers should pay to the HRD function.
- human resources are the most important assets of the organisation.
- HRD can be planned and implemented to benefit both the individual and the organisation.
• the performance of employees will increase, when the organisation is able to find opportunities through its HRD practices to use the potential of these employees at work.

• the managers, who are at the helm of affairs, must lay the right paths by creating a developmental climate and help employees realise their full potential.

In an organisation, various capabilities are required to carry out different tasks to perform different roles. HRD aims at the development of such capabilities. These capabilities can be classified under three broad categories:

(a) Technical  (b) Managerial  (c) Conceptual

These capabilities involve knowledge, skills, and attitudes of the people at work. While performing different roles, different combinations of these capabilities may be required for e.g. as one goes up in the organisational hierarchy more conceptual capabilities are required.

HRD is a continuous process that involves the development of these capabilities of employees in relation to different organisational tasks. HRD efforts should also focus on strengthening the process capabilities of an organisation. These process capabilities are:

(a) Proper Superior – Subordinate relationships at every level, (b) Team work and (c) Inter departmental and inter team collaboration.

HRD is a set of activities intended to provide the organisation with the skills it requires to meet current and future business demands. Hence, HRD is a planned activity for overall growth of an individual by providing them with relevant learning experiences.

Continued in the next page...
1.3 HRD Process

Almost all the business organisations are basically a combination of people and technology. The human beings are the centre and yardstick of everything in an organisation. The organisations can grow and become dynamic only through the efforts and competencies of their human resources.

HRD in the organisational context is a 'process' by which the employees of an organisation are helped in a continuous and planned way to:

(i) acquire and sharpen the capabilities required by the employees of an organisation to perform various functions associated with their present and expected future roles.

(ii) develop the general capabilities required by the employees of an organisation to discover and exploit their inner potential for their own and organisational development.

(iii) develop an organisational culture in which supervisor – subordinate relationships, teams work and collaboration among sub-units are strong enough to contribute to the pride and professional wellbeing of employees.

HRD process is facilitated by mechanisms / instruments / sub-systems like performance appraisal, training, organisational development (OD), feedback and counseling, career development, potential development, job rotation, and rewards. Employees are continuously helped to acquire new competencies through a process of performance planning, feedback, training, periodic review of performance, assessment of the development needs, and creation of development opportunities through training, job rotation, responsibility definition and such other mechanisms.
In short, HRD aims at helping the people of the organisation to acquire competencies required to perform their functions in a desired way and to enable their organisation to do well in achieving its goals and objectives.

1.4 Principles of HRD System (Rao T V, 2001)

A. HRD system should help an organisation to increase its enabling capabilities which include: development of human resources in all aspects, organisational health, improvements in problem solving capabilities, diagnostic skills, capabilities to support all the other systems in the company, etc.

B. It should help individuals to recognise their potential and help them to contribute their best towards the various organisational roles they are expected to perform.

C. It should help maximise individual autonomy through increased responsibility.

D. It should facilitate decentralisation through delegation and shared responsibility.

E. It should facilitate participative decision-making.

F. It should attempt to balance the current organisational culture with changing culture.

G. There should be a balance between differentiation and integration.

H. There should be a balance between specialisations of the function with its diffusion into the others.

I. HRD system should ensure responsibility for the function.

J. It should build upon feedback and reinforcement mechanisms.

K. It should maintain a balance between quantification and qualitative decisions.

L. There should be a balance between external and internal help.

M. It should plan the evolution of the function.

N. There should be a continuous review and renewal of the function.
1.5 HRD Mechanisms (Sub – System of HRD)

The items dealing with HRD mechanisms (Sub – Systems) measure the extent to which HRD mechanisms are implemented seriously. Successful implementation of HRD involves; an integrated HRD outlook and the efforts to use as many HRD mechanisms as possible. These mechanisms include: performance appraisal, potential appraisal, career planning, performance rewards feedback and counselling, training, employee welfare for quality work life, Job-rotation, etc.

When it was started, HRD had only two mechanisms or sub – systems i.e. Training and Development. But after carrying out several research studies and practices, now HRD has the following several sub-systems (Rao T. V. and Pereira D. F., 1986). They are:

- Performance Appraisal
- Potential Appraisal
- Training and Development
- Organisation Development
- Career Planning and Development

Each of these sub-systems / mechanisms / instruments contributes to the achievement of overall HRD goals. Performance appraisal focuses primarily on helping the individual to develop his present role capabilities and to assume that role with more responsibility. Potential appraisal focuses primarily on identifying the employee's future likely roles within the organisation. Training is the means of developing the individual's effectiveness or ability to perform his present and /or future job roles in a desired manner.
Training can also strengthen interpersonal relationships (through training in communications, conflict resolution, problem solving, transactional analysis, etc.) and increases team work and collaboration. All these sub-systems are discussed in detail as follows:

1.5.1 Performance Appraisal

'Performance Appraisal' is a systematic evaluation of employees of an organisation, in terms of the contributions made by these employees towards achieving organisational goals and objectives. 'Performance Appraisal' is basically a formal exercise in an organisation with a view to evaluating the employee performance in a documented form at periodic intervals.

'Performance Appraisal' is a continuous process to secure information necessary for making correct and objective decision on employees. The comparison of performance with job requirements helps in finding out the merit of individual employees in a working group. 'Performance Appraisal' is concerned with determining the differences in the performances among the employees working in the organisation.

'Performance Appraisal' has always a dual approach, viz., (1) evaluation approach and (2) development approach. One without the other makes the appraisal infective. However the relative emphasis can be different. It was felt that the 'Performance Appraisal' will have a heavy leaning towards the development of the employees and the evaluation to a greater degree can be taken care of by the Potential Appraisal System. It was also assumed that the relationship between the superior and the subordinate is very crucial for the development.

The essentials of an effective 'Performance Appraisal' System are:
a) 'Performance Appraisal' must be in collaboration with line responsibility rather than just to make it a personnel function activity.

b) There should be goal setting by appraiser and appraisee together.

c) It requires appraisal interview, counselling and feedback in an interaction session with openness and to record the ratings at that time of the interview.

**Figure 1.1: Performance Appraisal - Flow Chart**

Continued in the next page...
1.5.2 Potential Appraisal

The appraisal system of a HRD programme puts a greater emphasis on the development of employees. This objective can be accomplished by the 'Potential Appraisal' system which indicates about an employee’s capability to successfully assume a new role in future following his promotion. 'Potential Appraisal' may be defined as a process of determining an employee's strengths and weaknesses with a view to use this as a predictor of his future performance. If the employee's future 'role' is going to be different from his present 'role', 'Potential Appraisal' is a better appraisal system than 'Performance Appraisal'.

Like the 'Performance Appraisal' system; 'Potential Appraisal' is also done by the superior of the employee, who has had the opportunity to observe the employee for considerable period of time. 'Potential Appraisal' may be done either at regular intervals (mostly annually) or intermittently, i.e., as and when some positions fall vacant.

1.5.3 Training and Development

'Training and Development' is an organisational activity aimed at bettering the performance of individuals and groups in the given organisational settings. 'Training' is an organised procedure by which people gain knowledge; improve their ability, competence and skill to improve their professional attitude and personality so as to perform specific jobs with increased efficiency. 'Training' is a part of 'Development' and as such limited in scope. In many cases training is primarily imparted to the lower level of employees who are junior managers / operatives.

'Development' aims at the growth of employees at every level of management in a planned and organised way for best utilisation of employee's capabilities. 'Development' is broader as compared to 'Training'. It includes education, learning and
training. The primary target of development is for the higher level of employees who are senior managers / executives.

‘Training’ is relatively short term in nature and focuses on new employee orientation programmes like improving knowledge and skills for performing the present tasks. Whereas ‘Development’ activities focus on preparing the employees for the long term oriented future responsibilities by improving their capabilities.

Figure 1.2: The Training Process - Flow Chart

1.5.4 Organisation Development

Organisation / Organisational development (OD) is a planned change on the paradigm (a typical model) of understanding the environment, benchmarking, and action
research. OD is indeed a learning process by the organisation on the whole. OD may be defined as a change effort that is planned, focused on an entire organisation which is managed from the top to enhance the organisational health and effectiveness with planned interventions made with the help of a change agent (Bechard 1992).

The role of a HRD professional involved in an OD intervention is to function as a change agent. Facilitating change often requires consulting with and advising line managers on strategies that can be used to affect the desired change. The HRD professional may also become directly involved in carrying out the intervention strategy, such as facilitating and meeting of the employees responsible for planning and implementing the actual change process.

1.5.5 Career Planning and Development

A career is a sequence of positions or jobs held by a person during the course of his working life.

Career planning is a systematic process by which one selects the career goals and also the path to achieve these goals. From the viewpoint of an organisation, it means helping the employees to plan their career in terms of their capacities within the context of organisation’s needs.

Career development is an ongoing process by which an employee progresses through a series of stages, each of which is characterised by a relatively new set of issues involving various themes and tasks. Career development involves activities performed by an individual often with the help of counselors and others to assess his skills and abilities in order to establish an achievable and realistic career plan (Rao T V, 2004).
Career planning and development is a managerial process for mapping out the entire career of employees by integrating the individual and organisational needs and to achieve the same.

1.6 HRD Matrix

HRD matrix shows the vertical and horizontal interrelationships between HRD instruments, HRD processes, HRD outcomes and organisational effectiveness.

**HRD Instruments** include Performance Appraisal, Counseling, Role Analysis, Potential Appraisal and Development, Training, Communication Policies, Job Rotations, Rewards, and Job Enrichment Programmes.

**HRD Processes** include Role Clarity, Performance Planning, Developmental Climate, Risk-taking Ability and Dynamism in employees.

**HRD Outcomes** -- People become more committed and satisfied, where they tend to give their best to the organisation enthusiastically.

**Organisational Effectiveness** depends on a number of variables like environment, technology, competitors and the like.

*Continued in the next page...*
1.7 Component Systems of HRD

1.7 Component Systems of HRD

1.8 HRD Functions

HRD department of any organisation should perform the following eight functions:

a. Develop a human resources philosophy for the entire organisation.
b. Get the top management committed to this HRD philosophy openly and consistently all the time.

c. The line managers should be inspiring enough to have a constant desire to learn and develop.

d. ‘HRD Climate’ should be strengthened and developed by incorporating various new methods and designs constantly.

e. Be aware of the business, social and other goals of the organisation and direct all the HRD efforts to achieve these goals.

f. Implementation of various HRD subsystems and these mechanisms must be monitored effectively constantly.

g. Get associated with unions and associations and inspire them.

h. Influence the personnel policies of the organisation by providing the necessary inputs to the HR department and top management.

In order to perform these functions and tasks in a desired way, the HRD department is to be managed by people with a spirit of competency and commitment.

1.8.1 Structuring of the HRD Function

While structuring of the HRD function, the following questions must be addressed:

I. Should HRD be a part of personnel department or vise versa?

II. To whom should the HRD chief report to?

III. What are the linkages of the HRD department with the other departments?

IV. How many staff should a HRD department have?

V. What should be their levels in the backdrop of the organisational structure?
These are some of the commonly asked questions, which should be addressed very clearly before the HRD practices start coming into existence in an organisational setup.

The person or group of persons in the organisation must have the mandate, competence, credibility and motivation to perform the eight HRD functions mentioned above. In most of the 'Public Sector' organisations in India, the personnel departments in the organisations have the mandate to take care of the HRD functions; however in majority of the cases these personal departments do not have the credibility and competency to perform these HRD functions.

In those organisations where personnel function is a routine / administrative function and its activities are limited to controlling, monitoring, welfare, discipline and other maintenance type of activities; the personnel department has very little credibility to take forward the HRD activities. In these organisations, it is useful to start the HRD activity by identifying people, who have not only the mandate but also competence, credibility and motivation to perform HRD functions.

It is not necessary to have a hierarchical structure in a HRD department. The HRD function is in a way a spiritual function; as such to make it more effective, the chief executive of the organisation should hold the HRD function.

1.8.2 Profile of an HRD Manager

The following are the essential qualities required for a HRD manager to successfully carry out his HRD tasks:

✓ A person of positive attitude towards the people with a capacity to think positively.
✓ Having a strong desire to learn and improve.
Has the compassion towards the people to help them.

Highly pro-active with an initiative taking nature.

A person of perseverance through practice.

Possessing command over good communication skills.

Having the clarity and objectivity in handling the tasks.

Sets the standards as a living example with a sense of discipline and dedication.

HRD staff needs to work for others and therefore collaborative attitude should be inbuilt in them.

1.9 Goals of HRD

The following are the broad goals of HRD as listed by Dr. Rao T. V. (1990):

- Development of employee competency by coping up with the organisational dynamics.
- Development of employee motivation by maintaining high motivation levels.
- Strengthening the superior – subordinate relationships.
- Helping the individual to realise his maximum potential.
- Developing the individual to perform the present job responsibilities in the most efficient way possible.
- Developing the individual’s capabilities to handle the future likely key roles.
- Strengthening the team spirit among the employee groups through the development of organisational climate.
- Promoting inter team collaboration so as to develop the overall organisational climate.

Continued in the next page...
1.10 Benefits of HRD

The following are some of the most important benefits of HRD activities:

- HRD ensures systematic planning of the human resources to support organisational mission.
- HRD leads to increased capacity to achieve the organisational goals.
- HRD defines each employee's work responsibilities with clarity and link them to organisation's mission.
- Good HRD practices lead to greater equity between compensation and level of responsibility.
- HRD enables defined levels of supervision and management support.
- HRD facilitates increased level of performance and efficient utilisation of employees' skills and knowledge.
- HRD ensures cost savings through improved efficiency and productivity.
- A well implemented HRD programme leads to increased ability to manage change.

1.11 ‘HRD Climate’

The ‘HRD Climate’ of an organisation plays a very important role in ensuring the competency, motivation and development of its employees. ‘HRD Climate’ can be created by adopting an appropriate ‘HRD System’ which includes the leadership style of top management towards HRD. The ‘HRD Climate’ is both a means to an end as well as an end in itself.

‘HRD Climate’ is characterised by the tendencies such as treating employees as the most important resources, developing the employees is the responsibility of every line manager, believing in the capability of employees, communicating openly, encouraging
risk taking and experimentation, making efforts to help employees recognise their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices. An optimal level of developmental climate is essential for facilitating HRD activities (Rao & Abraham 1986).

'Human Resources' are the most important asset of an organisation as these resources appreciate over a period of time if the right development climate is provided. HRD systems aim at developing such a climate; one that provides for some amount of initiate, trust, openness, commitment to work, autonomy, collaboration, enthusiasm, risk taking etc. A healthy 'HRD Climate' certainly bolsters the overall internal environment of the organisation, fosters employee commitment, involvement and satisfaction with the job.

'HRD Climate' is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organisation conduct themselves with outsiders. 'HRD Climate' of an organisation is a set of policies, practices and conditions which exist in the working environment. To survive it is very essential for an organisation to adopt 'the change' in the environment and also continuously prepare their employees to meet the challenges.

'HRD Climate' is an environment provided by the organisations for the learning and development of its employees. It can be assessed by the following three components such as the top management's commitment to HRD (general climate), existence of an OCTAPACE culture and the functioning of the various HRD subsystems. The OCTAPACE culture indicates the existence of seven factors namely, Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity, Collaboration and
Experimentation in an organisation. The third component of the 'HRD Climate' measures the extent to which the various subsystems of the HRD mechanism such as training, performance appraisal, potential appraisal, organisation development, feedback and performance coaching, career planning, rewards, employee welfare, quality of work life and human resource information systems are implemented seriously (Rao, 1999).

1.11.1 General Climate

The general climate items deal with the importance given to HRD in general by the top management and line managers. A general supportive climate is important for HRD if it has to be implemented effectively. Such supportive climate consists of not only top management and line management's commitment but good personnel policies and positive attitudes towards development.

1.11.2 OCTAPACE Culture

The OCTAPACE items deal with the extent to which Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity, Collaboration and Experimentation are valued and promoted in the organisation. OCTAPACE culture is essential for facilitating HRD.

- **Openness** is there when, employees feel free to discuss their ideas, activities and feelings with each other.
- **Confrontation** is bringing out problems and issues into the open with a view to solving them rather than hiding them for fear of hurting or getting hurt.
- **Trust** is taking people at their face value and believing what they say.
- **Autonomy** is giving freedom to let people work independently with responsibility.
- **Pro-activity** is the tendency to think ahead before a problem takes place.
• **Authenticity** is the tendency on the part of people to do what they say.

• **Collaboration** is to accept interdependencies, to be helpful to each other and work as teams.

• **Experimentation** is the extent to which the management encourages its employees to take initiative and risks.

### 1.11.2.1 Factors influencing ‘OCTAPACE - ‘HRD Climate’

The following factors may be considered as contributing to OCTAPACE - ‘HRD Climate’:

- **Top Management’s Style and Philosophy**: A developmental style is a belief in the capability of people to have a participative approach; openness and receptivity to suggestions from the subordinates are some of the dimensions that contribute to the creation of a positive ‘HRD Climate’.

- **Personnel Policies**: Personnel policies that show high concern for employees through equity and objectivity in appraisals policies, emphasise for welfare and developmental activities, promote a collaborative attitude and trust among the people go a long way in creating the ‘HRD Climate’.

- **HRD Instruments and Systems**: A number of HRD instruments have been found to generate a good ‘HRD Climate’. Particularly open systems of appraisal with emphasis of counselling, career development systems, informal training mechanisms, potential development systems etc. contribute to ‘HRD Climate’.

- **Self-renewal Mechanisms**: Organisations that have built in self-renewal mechanisms are likely to generate a positive ‘HRD Climate’.

- **Attitudes of Personnel and HRD Staff**: A helpful and supportive attitude on the part of HRD and personnel people plays a very critical role in generating the
'HRD Climate'. If the personal behaviour of any of these agents is not supportive, the 'HRD Climate' is likely to be vitiated.

- **Commitment or Line Managers**: The commitment of line managers to the development of their subordinates is a very important determinant of 'HRD Climate'. If line managers are willing to spend a part of their time for their subordinates, it is likely to have a positive impact.

1.11.3 'HRD Climate' and 'Organisational Climate'

'HRD Climate' is an integral part of 'Organisational Climate'. 'HRD Climate' can be defined as the perceptions the employee can have on the developmental environment of an organisation. This developmental climate will have the following characteristics *(Rao and Abraham, 1986)*:

- A tendency to treat the people at all levels starting from top management to the lowest level; as the most important resource and assets of an organisation.
- Developing the competencies in the employees is the job of every manager/supervisor.
- Faith in the capability of employees to change and acquire new competencies at any stage of life.
- A tendency to be open in communications and discussions rather than being secretive (fairly free expression of feelings).
- Encouraging risk-taking and experimentation.
- Making efforts to help employees recognise their strengths and weaknesses through feedback.
- A general climate of trust.
- A tendency on the part of employees to be generally helpful to each other and collaborate with each other.
- Team spirit.
- Tendency to discourage stereotyping and favouritism.
- Supportive personnel policies.

HRD practices also include performance appraisal, training, reward management, potential development, job-rotation, career planning, etc.

Organisations differ in the extent to which they have these tendencies. Some organisations may have some of these tendencies, some others may have only a few of these and few may have most of these. It is possible to work out the profile of an organisation on the basis of these tendencies.

'HRD Climate' contributes to the organisation's overall health and self-renewing capabilities which in turn, increase the enabling capabilities of individual, dyads, team and the entire organisation.

1.11.4 HRD and 'Organisational Culture'

'Organisational Culture' is the pattern of beliefs, knowledge, attitudes, and customs that exists within an organisation. 'Organisational Culture' may result in part from senior management’s beliefs and in part from the beliefs of employees.

'Organisational Culture' can be supportive or unsupportive and positive or negative towards HRD practices. It can affect the ability or willingness of employees to adapt or perform well within the organisation. The most effective work culture is one that supports the organisation’s ‘HR Strategies’ by aligning behaviors, processes and methods with the desired results. 'Organisational Culture' is not about just achieving the results but also about the methods through which the results are achieved that are critical to long-term
success. Before any HR strategy is designed there must be a clear understanding of the organisation, its current values, its structure, its people as well as its goals and vision for the future.

1.11.5 HRD and ‘Organisational Structure’

An ‘Organisational Structure’ is actually a ‘snapshot’ of a work process in an organisation. The structure enables the energy of the people of the organisation to be focused towards process achievement and goal achievement. An employee in the organisation must have a clear definition of not only the work structure he fits into but also the ‘role’ he assumes that is used to organise a well defined job or the work. If the structure and the role is not clear, people will not know what the work process is, who is responsible for what, whom to go for help and decision, and who can assist in solving the problems that may arise.

1.12 HRD Vs Personnel Function

The traditional personnel function is a service oriented activity, responding to the needs of the organisation as and when they arise. On the other hand, HRD is a productive function which does not merely respond to organisational requirements but anticipates them and prepares the people and the organisation to face future challenges with confidence. HRD is wider in scope as it tries to develop the whole organisation instead of focusing attention on people alone. Personnel function is traditionally viewed as the primary job of personnel department. HRD is the responsibility of all the managers, both line and staff, in the organisation. The ‘Personnel Function’ views higher morale and improved job satisfaction as the cause of improved performance. HRD, on the other hand, regards job challenges, creativity and opportunities for development as well as the main motivating forces” (Harish Chandra 2006).
Table 1.1: Personnel vs. HRD

<table>
<thead>
<tr>
<th>PERSONNEL FUNCTION</th>
<th>POINTS OF DISTINCTION</th>
<th>HRD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance oriented</td>
<td>Orientation</td>
<td>Development orientation</td>
</tr>
<tr>
<td>An independent function with independent subsystems</td>
<td>Structure</td>
<td>Consists of interdependent parts</td>
</tr>
<tr>
<td>Reactive function</td>
<td>Philosophy</td>
<td>Proactive function</td>
</tr>
<tr>
<td>Exclusive responsibility of Personnel Managers</td>
<td>Responsibility</td>
<td>Responsibility of all managers in the organisation</td>
</tr>
<tr>
<td>Emphasis is on monetary rewards</td>
<td>Motivators</td>
<td>Emphasis is on higher order needs</td>
</tr>
<tr>
<td>Improved performance</td>
<td>Outcomes</td>
<td>Better use of HR</td>
</tr>
<tr>
<td>Improve the efficiency of people and administration</td>
<td>Aim</td>
<td>Develop the organisation as a whole and also its structure.</td>
</tr>
</tbody>
</table>

1.13 HRD in the Business Organisational Context

In the field of Management Sciences, 1980s and 90s can be called as a decade of computers and HRD. It is well recognised everywhere that human competency development is an essential prerequisite for the growth and development effort in a human society. Research, experimentation and experience in the field of HRD have grown enormously in the last two decades. Many organisations have set up new departments known as “HRD Departments” which symbolises the recognition of importance of people’s competency development. These departments have done remarkable work in attempting to find out new ways of developing employee competencies. In addition to the well known mechanism of training; experiments are being undertaken to pursue performance appraisals, potential appraisal, feedback and counseling, mentoring, job-rotation, Organisation Development (OD) interventions, career development systems and etc.
HRD practices are an important aspect of 'Human Resource Management (HRM)', i.e., helping the people in an organisation to acquire competencies in a continuous and planned way to develop their general capabilities as individuals and discover and exploit their inner potential for their own and organisational development purposes and to develop an organisational culture in which supervisor-subordinate relationships, team work, and collaboration among sub-units are strong and contribute to the professional well-being of all stake holders of the organisation.

It is a well recognised truth everywhere that human competency development is an essential prerequisite for the growth of any organisation. Development is the acquisition of capabilities that are needed to do the present job. In order to be developed, the employees should perceive that there is a climate favorable for their development. The responsibility of providing a proper and conducive climate for employee development lies not only with the HRD department but also with the top management.

People need competencies in terms of knowledge and skills to perform the tasks assigned to them in an efficient manner. Higher degrees of tasks require people possessing higher degree of competencies. As such, without continuous development of competencies in people; an organisation can not achieve its goals in an optimum way. Competent and motivated employees are essential for organisational survival, growth and excellence. Even to maintain a saturation level of growth, employee competencies need to be sharpened and developed, since organisations operate in environments that keep changing; requiring the employees to have new competencies.

HRD signifies an effort aimed at qualitative improvement of human beings in their specific role as assets of an organisation. HRD intrinsically recognises that people are the most important and valuable resources of an organisation, as such they need to be
developed in terms of knowledge, skills and attitudes for achieving their personal as well as organisational goals.

A major challenge for any organisation in this era of international competition seems to be survival and sustainability amidst cut-throat competition. It is increasingly argued that the organisations best able to meet these challenges are those that can acquire and utilise human resources that are valuable, scarce and inimitable (Barney, 1995)

1.14 Success of HRD – Role of Top Management

HRD efforts are not likely to succeed unless the top management is highly committed to the implementation of HRD. The chief executive should have a high degree of commitment to HRD and should be willing to communicate the same to all the employees. Investment in the development of the people is not a short term programme to see visible results. This is because people require certain gestation time period to acquire new competencies – specially managerial, human, and conceptual skills. Howsoever excellent a performance appraisal, training, counselling, OD, and job rotation system one may have, higher order competencies like initiative, dynamism, leadership, and organising capability get developed only over a few years of practical exposure and experience. Changes of this intricate in nature are visible only to a very sensitive eye. To have such a sensitive eye, the chief executive therefore should indicate his faith in HRD philosophy. He should have the patience and sensitivity to notice growth in his employees due to the effect of HRD practices. If a year after introducing a new appraisal system or training or some other HRD mechanisms, the chief executive starts commenting that he is seeing very little change in employees, the HRD staff gets demoralised and wrong signals are read by line managers. Of course, this does not mean that top management should not ask for some results. In fact, they should ask for results...
from the HRD department and senior line managers but the results should be asked in terms of competency development, problem-solving, and climate creation rather than in terms of balance sheets.

One of the indicators of success of a chief executive is the extent to which he has created self-renewing systems within the organisation and the extent to which he has developed his own employees. HRD instruments can aid him to move in the direction of building the competencies of his employees to deal with external environment and create opportunities for the organisation to grow and make an impact. Small investments in HRD with the commitment of the chief executive can go a long way in building the competencies of employees and a healthy and dynamic organisational culture.

1.14.1 Role of Line Managers in HRD

Line managers have an important role to play in ensuring the realisation of the HRD objectives. While the top management should make it available the resources required for investment on human resources, and the HRD department should provide the systems that can be used by the organisation to develop its human resources, it is ultimately the line managers who translate the HRD system into action. This involves first of all realisation on the part of the line managers that they have the responsibility to develop and utilise their employees.

To understand the role to be played by the line managers in developing human resources, it is necessary for the line manager(s) to understand the concept of development and the conditions under which development takes place.

1.15 Preparing HRD Plan

The HRD needs of an organisation changes with the changing conditions. Various types of organisational needs may arise from time to time, resulting in the need for
change in HRD interventions. Therefore, it is necessary to prepare a comprehensive HRD plan for any organisation, which is in the HRD way. Such a plan should indicate the HRD mechanisms to be used, their phasing, their interlinkages, and expected synergistic effects. A HRD plan has to tackle the following questions:

- What subsystems should HRD begin with? (E.g. performance appraisal or training or OD)
- Should there be a separate HRD department or should HRD be a part of the personnel department? If separate, then what links would it have with personnel and other departments?
- What should be the budget for HRD?
- How much of line manager's time is to be devoted for HRD purpose?
- What mechanisms should be used to monitor HRD implementation?
- What are the results that one can expect from HRD?

### 1.16 Barriers of HRD Programmes

HRD programmes are not without their limitations. The barriers of HRD programmes are as follows:

- Myopic and habitual conceptions of organisational goals.
- Lack of proper attitude from top management towards the HRD programmes.
- Lack of adequate resource for implementation of HRD programmes.
- The inevitable irregularity of demand and supply of human resources.
- The inevitable irregularity of opportunities for human resources.
- Fear of unrealistic expectation of workers, employees and managers from HRD schemes.
- Lack of proper response from employees.
Ego and behavioral conflict between HRD professionals and other line managers.

(Gupta Santosh and Gupta Sachin 2005)

1.17 HRD Audit

To get the best out of HRD, there should be a good alignment of the function, its strategies, structure, systems, and styles with the business and its goals (financial, customer and etc.). HRD should be aligned both with the short-term goals and long term strategies. If it is not aligned, it could become a big liability to the organisation. Besides this alignment, the skills and styles of HRD staff, the line managers and the top management should synergise with the HRD goals and strategies. ‘HRD Audit’ is an attempt to assess these alignments and ensure the same.

‘HRD Audit’ is a comprehensive evaluation of the current HRD strategies, structure, systems, styles and skills in the context of the short and long-term business plans of a company. ‘HRD Audit’ attempts to find out the future HRD needs of the company after assessing the current HRD activities and inputs available.

Strength based ‘HRD Audit’ is a systematic evaluation of the existing HRD strengths in terms of systems, competencies, structure, processes, practices, and culture with a view to build on what exists to what does not exists and add new strengths to an on-going organisation.

‘HRD Audit’ starts with an understanding of the future business plans and corporate strategies. The ‘HRD Audit’ starts with attempts to answer the following questions:

A. Where does the company want to be ten years from now, three years from now and one year from now? (Answers to this question ensures business linkages to HRD score card)
B. What is the current skill base of HRD staff in the company in relation to various roles and role requirements? (HRD Competencies on the HRD score card)

C. What HRD sub-systems are available to the organisation to build its competency base for the present, immediate future as well as for long term goals? (HRD systems maturity score on the HRD score card)

D. What is the current level of effectiveness of the HRD system in developing the people and ensuring that human competencies are available in adequate levels in the company? (HRD systems maturity on the HRD score card)

E. Is the existing HRD structure adequate enough to manage the HRD programmes in the company? (Contributes to HRD competencies score)

F. Is the top management’s style of managing the people in tune with the learning culture? (answers to these questions contribute to the HRD culture score of the HRD score card)

The ‘HRD Audit’ also examines the linkages between HRD and other systems like total quality management, personnel policies, strategic planning etc. Suggestions are made on the basis of evaluation on the above questions about the future HRD strategies required by the company, the structure the company needs to have for developing new competencies and the systems that need to be strengthened, the styles and culture that has compatibility with HRD processes in the company particularly the style of the top management and etc.

‘HRD Audit’ should keep the business goals always on focus. At the same time, it should attempt to bring professionalism into HRD practices. In keeping the business focus at the center, ‘HRD Audit’ attempts to evaluate HRD strategy, structure, system, staff, skills and styles and their appropriateness.
'HRD Audit' is not a problem solving exercise; however, it may be able to throw insights into the sources of the problem. It will not give feedback about specific individuals but will give feedback about the HRD department, its structure, competency levels, leadership, processes, influence of the HRD on the other systems etc.

1.17.1 Assessing HRD Needs

An organisation may think of assessing its HRD needs for the following reasons:

• If the organisation is planning to increase its production output substantially then skilled manpower and well trained managerial personnel are required to handle various functions.

• If the organisation is planning to expand through diversification and is setting up new units and factories.

• A change in the market conditions requiring executives and other staff to change their attitudes and develop new competencies to meet the new challenges.

• A technological change requiring the company to adapt to new technology or modernise itself.

• The role of the organisation in society is changing. The demands on the organisation and expectations of the client system require that employees undertake new tasks and respond to environmental changes.

• The organisation has reached a saturation point in its growth. Employees are stagnating due to lack of growth opportunities. Level of frustration among employees is on the increase.

• A vaccum at senior and middle levels of management is likely because a large number of old guards are retiring soon. There is immediate need for trained managerial manpower.
• The internal management situation is messy. Most line managers are not able to handle the situation. Management systems and controls are weak. The internal processes need to be streamlined requiring employees to change and exhibit higher levels of potential, maturity and competence.

1.18 HRD and Employee’s ‘Role Satisfaction’

Role is the position one occupies in an organisational system, and is defined by the functions a person performs in response to the expectations of the significant members of that organisational system, and one’s own expectations from that position or office. In this sense, the role gets defined in each system by the role senders i.e., different persons in the organisational setup, who have both stated or unstated expectations from the role occupant and the role occupant himself (Pareek, Udai 2001).

Role is a set of specific tasks a person performs as an employee because of the position he holds in the organisation. In other words, role is a position or a designation or an office an individual assumes plus that individual’s personality and responsibilities that are defined by various expectations from that position of that person. Analysis of the role would involve analysis of specific activities or functions in the role as well as various other components of the expectations by significant persons.

All the components of an individual’s role are largely defined by the members of his ‘role set’. The ‘role set’ of an individual is constituted by all those people who have legitimate expectations from him and towards whom, he has an obligation to perform certain functions.

The role set of an individual in the organisation typically includes his immediate superior, his subordinates and certain members of his own or other departments with whom he works very closely (Pareek, U and Rao, T V 2003).
The concept of role is vital for the integration of the individual with an organisation. The organisation has its own structure and goals. Similarly, the individual has his personality and needs (motivation). All these aspects interact with each other and to some extent get integrated into a role. Role is also a central concept in work motivation as it is only through this that the individual and the organisation interact with each other.

The concept of 'role' gained importance as the innovation of concepts in the HRD field gained momentum from time to time. The measurement of 'Role Satisfaction' is a sub-set of measurement of job satisfaction. An attempt has been made in this study to explore the relationship between 'HRD Climate' and 'Role Satisfaction' of the individual in the organisation.

'Role Satisfaction' can be defined in terms of the degree of satisfaction of psychological needs in one's role in an organisation. Satisfaction of a need is largely subjective; there cannot be any objective norms in this respect. As such, 'Role Satisfaction' can also be defined as the gap between perceived and desired satisfaction of the main psychological needs in one's organisational role.

1.18.1 Variables of Employee's 'Role Satisfaction'

The basic professional needs of any human being are achievement, influence, control, extension and affiliation. Although some needs may be higher than others, and varies from person to person. However, everyone has these needs and seeks to satisfy them in their organisational goals. The more opportunity one has to satisfy one's needs in the organisation, the more satisfying the role is.

- Achievement (AC): A concern for excellence, competition with the standards of excellence set by others or by oneself, the setting of challenging goals for oneself,
awareness of the hurdles in the way of achieving those goals, and persistence in trying alternative paths to reach one’s goals.

➤ **Affiliation (AF):** Characterised by a concern for establishing and maintaining close, personal relationships, by value on friendship, and a tendency to express one’s emotions.

➤ **Influence (IN):** Concern to make an impact on others, a desire to make people do what one thinks right, and an urge to change matters and develop people.

➤ **Control (CL):** Characterised by a concern for orderliness, a desire to remain informed, and an urge to monitor and take corrective action when needed.

➤ **Extension (EX):** Showing concern for others, interest in higher goals, and an urge to be relevant and useful to society on the whole.

### 1.19 HRD in India

Kautilya, an Indian philosopher provided a systematic treatment of the management of human resources as early as 4th century BC in his treatise titled ‘Artha Shastra’. He provided an excellent discussion on staffing, job description, job qualifications, selection procedure, executive development, incentive systems, and performance evaluation.

The British rule was marked by subhuman living conditions for workers, especially in plantation areas. This continued till the ‘Factories Act of 1881’ was passed, which regularized working hours, wages, off days, etc. Between 1939 – 40 and 1944 – 45 the number of registered trade unions increases. There was a large scale expansion of the trade union movement after the ‘Second World War’ and after Independence.

With the beginning of the planning era in 1951, one could expect an active pursuance of policies to achieve socio-economic objectives implied in the better
development and utilisation of human capacities in a free and just society. The socio-economic objectives and human resource development policies are inter-related. The social objectives of HRD are mass literacy and reduction of socio-economic inequalities. The economic objectives of HRD comprise economic and technological development to increase Gross National Product.

The 1950s in India saw the birth of the ‘Personnel Function’ being introduced in the Indian industry to look after worker’s interest. The 1960s saw a stress on the welfare attitude in the personnel profession. Then Labour Officers became interested in looking after canteens and latrines, meals and uniforms. The 1970s witnessed the introduction of the legal angle so that the adjudication of disputes became important and personnel officers went about obtaining law degrees to horn their legal skills for use on the shop floor. The 1980s saw an enlargement of the legal aspect, so that collective bargaining became the most important skill of the ‘Personnel Officer’. Bipartite negotiations were complemented by union militancy during the first half of the decade and by management militancy during the second half. The 1990s saw the era of participative management on one hand and the slow withering away of unions on the other. Thus HRD gained importance in the Indian industry in this period.

Continued in the next page...
Figure 1.3: **Late Dr. Udai Pareek (1925-2010)**

Father of HRD Philosophy in India

Figure 1.4: **Dr. Talam Venkateswara Rao (T. V. Rao)**

Professor, IIM – A, Renowned HRD Philosopher in India
Perhaps India is the first country to formally establish a totally dedicated 'HRD Department' separated from the Personnel Department in a business organisation. This took place in the year 1974 when the term HRD itself was not very popular in the developed countries like, America. Late Prof. Udai Pareek, and Prof. T V Rao, the two consultants from the Indian Institute of Management, Ahmedabad (IIMA), after reviewing the effectiveness of the performance appraisal system and training in Larsen & Toubro (L&T) recommended an 'Integrated HR System' to be established to deal with development issues, being separated out from the personnel department and to be called as the 'HRD Department'. Thus the first HRD department in India was established.

What started as a "Review Exercise of the Performance Appraisal System" for L&T by these two consultants resulted in the development of a new function - The HRD - Function. In 1974, the consultants studied the organisation and prepared a new integrated system called 'HRD System'. This was probably the first of its kind in India. The new system clearly established the linkages between the various personnel related aspects such as performance appraisal, employee counselling, potential appraisal training, etc. Prof Pareek and Prof Rao presented an approach paper to the top management of L&T on the new ideas and this was accepted.

The L&T company wanted the implementation also to be done by these two consultants, as it was not sure that enough expertise was available on the human process within the organisation. The consultants however felt that L&T managers had enough competence and insisted that an internal team undertake this task. Thus, the work was undertaken by an internal team with the help of the consultants and this was very satisfying.
Based on the recommendations of the approach paper, a very high level role was created at the board level to give a greater thrust to the new system. A separate ‘HRD Department’ was created. A high level internal team headed by a General Manager, monitored the progress of implementation of the new system initially, which was subsequently handed over to the ‘HRD Department’.

The HRD system has since then been reviewed from time to time and improvements made, retaining the basic philosophy. The original consultancy reports of Dr. Uda! Pareek and Dr. T.V.Rao have sown the seeds for this new function and new profession. This pioneering work of Dr. Rao and Dr. Pareek lead later the establishment of HRD Departments in the State Bank of India (SBI) and its Associates, and Bharat Earth Movers Limited (BEML) in Bangalore during 1976 and 1978.

By seventies the concept of HRD and the need for having a separate HRD department has picked up momentum. The SBI and its associates to start a series of new HRD departments followed it in the banking sector. The programme at SBI centered on training and appraisal following its reorganisation and rapid growth. SBI and its associates were the first to start the HRD function under the guidance of Dr. Udai Pareek. Later on Dr. T. V. Rao also got associated with the training of various HRD managers in these banks. SBI appointed a highest level functionary to look after HRD.

The HRD Philosophy for the SBI is –

“HRD in SBI is a continuous process to enable every individual, as a member of an effective team and community, to realise and activate his potential so as to contribute to the achievement of the bank’s goals and derive satisfaction there from.”

SBI’s training philosophy runs as follows:

Continued in the next page...
“Training in the SBI is a proactive, planned and continuous process and is an integral part of the ‘Organisation Development (OD)’. It seeks to impart knowledge, improve skills and reorient attitudes for individual growth and organisation effectiveness”.

*Indian Tobacco Company* (ITC) took up HRD at the time of diversifying its business from cigarette manufacturing to other products. The company concentrated on improving its appraisal system and providing training so as to identify and rapidly develop managers for new projects.

‘Crompton Greaves’ resorted to HRD when it faced a slump in business and decided to take up additional projects in new locations. The focus of its programme was role clarity so that responsibility for results could be vested with profit centre managers. It has refined the appraisal system as well.

*Hindustan Machine Tools* (HMT) was the first to start a dedicated ‘OD Department’ in the early seventies. The work here was well-respected and those who are associated with it rose to become leading CEOs and consultants later on. *Bharat Heavy Electricals Limited* (BHEL) was the first to initiate MECOM’s (Manager Employee Communications) to facilitate employee development and create a healthy culture.

The HRD Department in *Bank of Baroda* (BOB) was established in the year 1978 as a part of the ‘Personnel Department’. The need for a separate HRD department to look after manpower planning, training and performance appraisals was suggested by a consultant appointed by the bank to suggest mechanisms to strengthen the head office. After its establishment the HRD department brought about major changes in the appraisal system and developed through a participative process, a development-oriented appraisal system for officers.
In the late seventies, BEML appointed Dr. T. V. Rao as an advisor in General Manager’s capacity to design and develop HRD systems in BEML and also to train internal talent to manage HRD. Indian Oil Corporation (IOC) was the first to bring out an Internal Role Directory (IRD). SAIL revamped its performance appraisal and other systems with the help of IIM-A. Hindustan Petroleum Corporation Limited (HPCL) was the first to think of communication as an HRD strategy. BOB got its branch-level structure reexamined. Life Insurance Corporation (LIC) changed its performance appraisal system. The films produced by Steel Authority of India Limited (SAIL) for its internal use are shown even today in leading management schools. Thus, this era can be characterised as the HR Leadership Era in PSUs.

The HRD department in IOC was established in June, 1983 with the task of designing a comprehensive HRD system and implementing it. The HRD department’s work began by the Chief HRD Manager conducting a role analysis exercise in the context of the HRD needs of IOC. By 1984 HRD departments were set up even in Refineries and Pipelines Division and Marketing Headquarters of IOC.

TVS Iyengar & Sons has a long tradition of being an organisation with concern for its employees. With changing environment by late seventies TVS & Sons started facing a highly competitive environment. To meet the challenges of the changing environment, higher level competencies needed to be developed in the supervisory and managerial staff. Recognising this need the company took a decision to divide the personnel function into personnel administration and HRD and started a HRD department in 1983. The department was charged with the responsibility to encourage excellence to create an organisational climate where employee will strive towards better performance, to maintain fairness and justice and to develop problem prevention competencies. The HRD
department was given the functions of manpower planning, job rotation, training, potential appraisal, career planning, job enrichment, suggestion schemes, liberal education, research and organisational analysis, attitude surveys and reports, control and long-range planning.

Sundaram Fasteners Limited (SFL) is a member of the TVS group of companies. Starting its manufacturing operations in 1966, they diversified into cold extrusion in 1976. They opened a second fastener plant in 1981. In 1983 they further diversified into manufacturing powder metal products with German collaboration. They sales turn-over rose from Rs. 4 crores in products with German collaboration. Their sales turn-over rose from Rs. 4 crores in 1977-78 to Rs. 27 crores in 1984-85. This steep growth in a short period, from a single product in a single location to a multi-product, multi-location company necessitates a need for HRD in the company. The multi-location produced a depletion in trained manpower and consequent problems and gaps at various levels. The HRD department is placed in the Corporate Planning & Development Wing. The HRD unit started working on organisation structure (focusing on clarifying-reporting relationships outlining key responsibility areas), manpower planning, recruitment, placement, development-oriented performance appraisal system, training and development, rewards, and career planning.

Crompton Greaves has been in the electrical energy business of transmission and distribution of power for the last seven decades. Since 1984 this mission has been redefine to include electronics. The company has decentralised set up with many major groups of profit centres. It is supported by large sales network, both at the regional and international levels. The company's many manufacturing operations in places like Bombay, Nasik, Ahmednagar and etc... Introduction of the formal HRD System in
Crompton Greaves Company began in the year 1983 with the assistance of Late Dr. Udai Pareek and Dr. TV Rao. The thrust was initiated by the creation of a formal taskforce, headed by the then Executive Vice President and later who became the Managing Director in 1987. The taskforce, in its inaugural meeting identified 3 concerns - Role Analysis, Performance Appraisal System and Counselling as areas needing immediate attention in the company.

The first HRD workshop to discuss HRD concepts and issues was held at IIMA in 1979. This workshop was the beginning of spreading the HRD message. In subsequent years beginning 1980 a series of workshops were held to develop HRD facilitators, both at IIMA and in the Indian Society for Applied Behavioral Sciences (ISABS). IIMA workshops focussed in the conceptual parts and ISABS on experimental part. As HRD started growing, L&T instituted a HRD Chair Professorship at XLRI, Jamshedpur. Dr. T.V.Rao moved to XLRI as L&T Professor in 1983 to set up the Centre for HRD.

Subsequently, a National Seminar was organised in Bombay (Mumbai) during February 1985 jointly by XLRI Centre for HRD and the HRD Department of L&T. The National HRD Network was conceived during this seminar. The first HRD Newsletter was started consequent to this seminar by the Centre for HRD for XLRI and was sponsored by L&T. the National HRD Network took shape and became a large body with about 20 chapters in the subsequent five year period.

The National HRD Network was nurtured by IIMA and XLRI on the one hand and by the corporate sector on the other. The National HRD Network later gave birth to the Academy of Human Resources Development. This is the first family tree of HRD in India.
India has progressed a lot from the days of apprehension about HRD as an old wine in new bottle to the level of constantly discovering more solutions to new problems and challenges. HRD is the soul of personnel function. CEOs beginning mid seventies started accepting HRD as a philosophy. HRD has definitely added to the quality of work life in industry. It has come of ages. It is no more taken for granted. However, HRD also got diluted in some ways in some of the organisations.

**HRD System** and **HRD Culture** is still a new philosophy to many Indian organisations in public and private. Even if some organisations already have some formal or informal **HRD Mechanisms**, strengthening the **HRD Processes** requires an understanding and acceptance of **HRD Philosophy** by the line managers. One of the ways of developing such an understanding is by letting the HRD philosophy to percolate from top management down to line mangers. However, this takes long time. As such, for quicker understanding and acceptance, line managers need to be oriented.

After nearly four decades of the evolution of HRD function in India, still organisations don't recruit professionally qualified HRD professionals. HRD managers don't do their own basic work of profiling the job properly through competency mapping to ensure that scientific recruitment is followed. HRD has still a long way to go to be accepted fully as a profession in Indian corporate organisations consisting of public and private sector companies.

Today, there are high expectations from HRD. Good HRD requires well-structured function, appropriately identified HRD systems, and competent staff to implement and facilitate the change process. As the organisations picked up momentum towards establishing HRD departments a lot of HRD Managers in India started undertaking a number of interventions.
1.19.1 HRD Instruments and Sub-systems in Indian Companies

The HRD function has been initiated in most organisations in the last few years in India. Some of them are yet to make their presence felt. No organisation has yet introduced, all the HRD mechanisms listed. Several organisations have just few of these and therefore, it is difficult to conclude whether any organisation in India has comprehensive and complete system of HRD at all. Probably L&T comes closer to having a comprehensive system but its synergistic effects are yet to be experienced by the company. Among the others, SBI SAIL, SFL, ECC, IOC, CGL, TVS Voltas, SBP are on their ways to having such comprehensive systems. There is a danger of these organisations taking a longer time to dilute the spirit of HRD, if they do not act fast. More vision, leadership and dynamism are required for implementing various sub-systems and creating a HRD culture.

The next chapter deals about the review of literature on HRD and Indian PSUs in detail.