CHAPTER-3
HUMAN RESOURCE DEVELOPMENT:
A CONCEPTUAL FRAMEWORK

INTRODUCTION:

HRD is concerned with developing skills, knowledge and competencies of people and it is people oriented concept. HRD can be applied both at the national level and organizational level. HRD is the most important tool for manpower planning. Through HRD activities at the organizational level, it is possible to sustain the competitive advantage rationalizing the human resources. Many personnel; managers and organizations view HRD as synonymous to training and Development. Many organizations in the country renamed their training Departments as HRD Departments. Even some organizations renamed their personnel departments as HRD Departments. HRD from organizational point of view is a process in which the employees of an organizations are helped/motivated to acquire and develop technical, managerial and behavioral knowledge, skills and attitudes, and mould the values, belief, attitude necessary to perform present and future roles by realizing highest human potential with a view to contribute positively to the organizational, group, individual and social goals. A comparative analysis of various definitions of HRD shows that the developmental aspects of all the components of human resources are more comprehensive to define HRD. HRD deals with all types of skills, the present and the future organizational needs and aspects of the contribution to not only organizational but also other goals. The analysis of the third definition further shows that there are three aspects, viz,

1. Employees of organizations are helped/motivated.
2. Acquire, develop and mould various aspects of human resources and
3. Contribute to the organizational, individual and social goals.
People are most important and valuable resources of any unit. Dynamic people can build progressive and growth oriented organization. Effective organizations can be created by effective people therefore, organizations should continuously ensure that dynamism, and competency, motivations and effectiveness of its people remain at high level. Thus HRD functions play a vital role in bringing employees effectiveness in the organization.

HRD aims at preparing people to perform tasks or functions which they required for overall individual and organization growth. HRD plays a pivotal role in team building, employer-employee relations and employee motivations etc.\(^\text{14}\)

This chapter outlines the concept of HRD, different HRD systems, HRD Processes, roles of HRD Climate and culture. Chapter also put light on the selection and designing of HRD interventions.

**History of Human Resource Development:**

Leonard Nadler, professor Emeritus George Washington University, is credited for coining the word “Human Resource Development”. In 1970 Nadler was published his now-classical book Developing Human Resources, in which he coined the term “Human Resource Development” (HRD). The term HRD provided a conceptual umbrella under which the field began to unify, using the three-fold notion of training, education and development. HRD provided purpose and direction for the continued growth of the field: organized learning to provide the possibility of performance change. It further identified a core discipline form which a field of study could develop: adult learning in workplace. McLagan’s HRD studies in 1983 and 1989 reflected a shift taking place in HRD work. Patricia McLagan is


Patricia McLagan (1987)\(^{15}\) proposed the following narrative definition of HRD.

\textit{HRD is the integrated use of training and development, career development and organization development to improve individual effectiveness}

In 1989 there were signs of an emerging concern for economic impact. The field began to move from focusing to what is performed to what is produced. One of the forces in 1989 was an increased use of systems approaches in HRD. Another shift in the field that took place was that the focus on individual learning was shifting to organizational learning as the primary activity and goal of the field. Patricia McLagan’s role and competency study models for HRD Practice described in 1989 a broadened scope of various roles in the competency models. The definition of HRD expanded beyond training and organization development. The move was toward HRD Responsiveness and relevance.

Arriving at the final countdown to the 21\(^{st}\) century HRD remains an important force for the future. With reference to India, it was year 1974 India witnessed the emergence of a new HRD culture. T.V Rao, is regarded as “The father of Indian HRD. A new human resource development system emerged in India in 1974 with Dr. T.V. Rao and Dr. Udai Pareek heading the movement. It was started as a “Review Exercise of the performance appraisal system” for L & T by two consultants, Prof. Udai Pareek and Prof.

T.V. Rao From the Indian Institute of Management, Ahmedabad (IIMA), and Resulted in the development of a new function: The HRD function.

In the early 70’s, this company, in association with IIMA reviewed all aspects of its operations. In 1974, the consultants studied the organization and prepared a new integrated system called Human Resource Development (HRD) systems. This was probably the first of its kind in India. The new system clearly established the linkage between various personnel related aspects such as performance appraisal, employee counseling, and potential appraisal training, etc. Prof Pareek and Prof. Rao presented an approach paper to the top management on the new ideas and this was accepted. The company wanted the implementation also to be done by the consultants, as it was not sure that enough expertise was available on the human process within the organization. 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.16

Based on the recommendation of the approach paper, a very high 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 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 were made, retaining the basic philosophy. The original consultancy of Dr. Udai Pareek and Dr. T.V. Rao has sown the seeds for this new function and new profession. This pioneering work of Dr Pareek and Dr Rao lead later the establishment of HRD Departments in the state


The first HRD workshop to discuss HRD concepts and issues was held at IIMA in 1979. Several chapters of the book which was later published by Oxford & IBH as “Designing and managing human resource systems” were distributed in this workshop. 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 focused in the conceptual parts and ISABS on experimental parts. 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 organized in Bombay 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 5 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 in year 1990. This is the first family tree of HRD in India. After liberalization in year 1991 HRD concept gained momentum to remain competitive in changing market scenario. Most of the organizations developed full fledge HR Departments. But still HRD in Indian corporate sector needs more creativity and innovation.\(^\text{17}\)

Concept of HRD:

HRD is a field concerned with individual development, of which employee training and management development activities are a part. HRD is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. HRD also includes career development and organizational development.

Management development is a process of:

1. Assessing individual managerial competencies
2. Providing activities and experiences designed to build individual managerial competencies based on these assessments. As components of HRD, both employee training and management development contain these basic processes.

Nadler (1970)\textsuperscript{18} defined HRD as a series of organized activities, conducted within a specified period of time and designed to produce behavioral change. Some of the common activities he identified within HRD are training, education, and development.

In a revised definition, Nadler (1984) defined it as organized learning experiences in a definite time period to increase the possibility of job performance and growth.

T.V Rao (1985)\textsuperscript{19} defines HRD in the organization context as a process by which employees of an organization are helped in a continuous, planned way to:

1. Sharpen their capabilities required to perform various functions associated with their present or expected future roles.


2. Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/ or organizational developmental purposes.

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

McLean and McLean (2001)\textsuperscript{20} have offered the following Global definition of HRD after reviewing various definitions across the world: “Human Resource Development is any process or activity that, either initially or over the longer-term has the potential to develop adults work based knowledge, expertise and productivity and satisfaction, whether personal or group/team gain, or for the benefit of an organization, community, nation or ultimately the whole humanity.

Most popular definition of HRD by Patricia McLagan (1987)\textsuperscript{21} as “The integrated use of training and development, organization development and career development to improve individual, group and organizational effectiveness”.

Thus HRD is the process of enabling people to make things happen. It deals both with the process of competency development in people and creation of conditions (through policy, programmes and other interventions) to help people apply these competencies for their own benefit and for organization.


Thus HRD is a branch of human resources management function that endeavors to build competencies, commitment and a learning culture in organizations with the purpose of bringing in competitive advantages to achieve business excellence in all its operations.

**Human Resource Management (HRM), Human Resource Planning and Human Resource Development.**

The term HRM, HRP and HRD are used interchangeably by some organizations. Despite their interrelationship these terms have their own distinct connotations. HRP deals with the future aspects of manpower requirements of the organization for its various jobs. HRM emphasizes the potential of employees as organizational assets by adopting a proactive approach. It deals with effectively managing the workforce.

The essence of HRD is growth and development of individual and thereby the organization. It is primarily concerned with the individuals benefit and in the process benefits for the organization too.

**Human Resources Management (HRM)**

Drucker the management Guru defines HRM as a methodological and systematic discharge of all activities that have to be done where people are employed, especially in large numbers their selection and employment, training medical services, the cafeteria, safety, the administration and wages, salary and benefits and many others\(^22\). KlatLawerence. A, perceives the team “personnel/human resource management” comprising of the managerial activities involves in planning for recruiting, staffing, training, developing, rewarding utilizing and maintaining human resources.\(^23\) HRM calls for

\(^{22}\) Drucker peter F. (1980) Management tasks, responsibilities, practices- Allied publishing pvt. Ltd., Delhi, p.306

strategy, new mechanism, goal setting and above all achieving organizational strategic objectives.

HRD is an integral part of HRM. Its major focus is on extracting extraordinary performance from an ordinary employee by enhancing his/her physical, mental and social and spiritual well being and enabling that individual to derive level of life satisfaction.

The scope of HRM is widening. The responsibilities of yesterday’s personnel managers were characterized as ‘maintenance activities’, primarily at the operational, (shorter) secondarily at the managerial (medium term) levels of the organization. In contrast today, human resource managers need to function successfully at three organizational levels; operational, managerial and strategic\(^{24}\) (long term)

The new roles of today’s human resources manager include strategic business partner, employee advocate, diversity manager, maintainer of organizational culture, facilitator of organizational change and internal consultant.

HRM is thus related to all activities pertaining to the personnel of the organization, right from their recruitment, training and developing of human resources.

**Human Resources Planning (HRP)**

Human Resource planning or manpower planning is concerned with determining the personnel requirements at present and in future and the ways and means of meeting those requirements so that the plans of the organization are carried on smoothly. HRP deals with the qualifications of the type of skills, abilities and people required to perform the various

functions of organization efficiently. Based on the past experience the management projects and forecasts its future personnel requirements and hence deals with the future. HRP is concerned with seeking to optimize the manpower part of the total system. Basically, it involves the ability to determine with reasonable accuracy the type of the people it needs to recruit without wasting the skills and abilities of the human force at any stage and recognizing means of exploiting opportunities for the better use of manpower.

Manpower planning or human resource planning is thus defined as “the systematic analysis of human resources in future directed to minimize uncertainty and surprise and to eliminate mistakes and wastages.”

Interrelationship between HRM, HRD and HRP:

There is a close relationship between HRM, HRD and HRP. These 3 terms are interrelated in terms of their conceptual and practical implications. It is contended that effective HRP leads to efficient HRM and both together contribute to constructive HRD. A definition of HRM brings out clearly the interrelationship between HRD, HRM and HRP. “Effective management of human resources implied identifying right kind of people, socializing them in the right direction, training them and assigning tasks and roles that bring out their best, motivating to put effort and perform well creating conditions, where the employees enjoy work and have a sense of fulfillment.”


The perceptions of various experts about the HRD provide multidimensional conceptual parameters of the rem. Prof. Len Nadler made formal introduction of the concept of HRD in 1969 in the American society for training and Development conference. The same year the US president Nixon introduced some new programmes aimed at HRD and then onwards

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Singh B.P, The key to effective HRM, Times of India, Bombay Dec.1, 1993, p.35
the concept of HRD became popular, both in the academic circles and in the business world.

Nadler defined HRD as a organized learning experiences in a defined period of time to increase the possibility of improving the job performance and growth. Nadler has referred to the well planned, defined and organized training imparted to the worker with a view to increase his knowledge, information and skill/ability in performing his job as the main concern of HRD. The training imparted to the worker is preplanned by the organization and not incidental. Nadler’s definition refers to the learning experiences, which need to be imparted in a definite period of time. However, Nadler contends that HRD cannot assure that as a result of the learning experience performance will change. He says that organized learning experiences increase the possibilities of improving job performance and do not guarantee it. Nadler’s definition implied HRD is basically related to training. This however estimates the importance of training. In the process other aspects like career planning and counseling, organization development performance appraisal are over shadowed.

Nadler’s definition refers to organized learning experiences in a definite period of time. However HRD is a continuous process and no time limit can be attributed to it.

Another definition by Douglas Hall stresses the need for identifying the inborn skill of an individual and developing it through relevant training sessions with the long-term gain of the organization in view.

Hall defines HRD as “The identification of needed skills and active management of employee learning for the long range future in relation to explicit corporate and business strategy”. Hall’s definition implies that it is the organization duty to locate such skills and utilize them for the organizational benefit where as Nadler’s definition of HRD stressed the

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individual’s growth and development through training, Hall’s definitions stresses on the organizations benefit from the HRD programme. Both definitions seem to have ignored the mutual benefits of the individual and the organization. Further both Nadler and Hall seem to over rate the importance of training thereby conveying an idea that HRD means training only.

Schelm\(^{27}\) has defined HRD as “Aiming at matching the organizational needs for human resources with the individual need for personal career growth and development”. Thus Schelm believes that both the organization and individual depend upon one another for attainment of their goals. According to him HRD is achieved at the point where the needs of both the parties are at ‘breakeven point’ i.e. evenly matched. Schelm’s definition doesn’t explicitly mention as to how individual growth and development may be achieved. The talent of an individual has to be identified, nurtured and exploited on a continuous basis so that his aspirations are realized. Schelm makes no mention of this process. However his definition does not restrict the scope of HRD only to training and it broadly covers the essence of HRD.

Gunnar Myrdal\(^{28}\) the noted economist has comprehensively defined HRD in terms of its components viz. food and nutrition, clothing, housing and sanitation.

Healthy facilities, education, information media, energy, consumption and transport. Myrdal comprehends that when an individual’s need with regard to the above eight components is satisfied human resource development is accomplished.


The definition gives more general view of the HRD by indicating the 8 components of HRD. However there is no reference to the organizational efforts aimed at exhibiting the creative abilities for mutual benefit. The definition is lacking in certain credentials.

Harbison and Meyers\textsuperscript{29} have defined HRD as the process of increasing the knowledge, skills and the capacities of all the people in the society. This definition refers to all round improvement in the ability, knowledge and aptitude of all the people in society. This definition is more general and refers to the purpose of increasing the knowledge and capacities of the people. However it has not recognized the important aspect of mutual benefit of individuals and organization.

T.V Rao\textsuperscript{30} has perceived HRD as a process by which the employees of an organization are helped in a continuous and planned way to.

(i) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
(ii) Develop their general capabilities required to perform various functions associated with their present or expected future roles.
(iii) Develop an organizational culture in which the superior subordinate relationships, teamwork and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees.

The above definition implies that various inputs like training, counseling and organizational development are used to initiate, facilitate and promote the HRD process in a continuous way.

Enthemkuzhy\textsuperscript{31} has taken a holistic view of HRD when he says, “HRD is a process undertaken to promote the intellectual, moral, psychological, cultural, social and economic development of the individual so as to help him achieve his highest human potential, as a resource for the country. It means a total all round development of the person so that he contributes his best to the community and the nation.

The various definitions of the experts on HRD convey the basic view that the concept of HRD aims at better understanding of people, their need and hopes. It seeks to generate awareness among them and their role as a resource to the organization for attainment of its goals and objectives thus minimizing the areas of conflict between the two. It can be concluded that the optimum utilization of valuable human resource is possible when HRD is adopted as a total system approach within the organization. The HRD systems, if properly intimated can contribute significantly to positive cultural changes, increased productivity and excellence in the organization.

**Economist perception of HRD**

Economists have perceived human resources as human capital and development of human resources as investment activity. Theodore Schultz\textsuperscript{32} has affirmed that human capital that results from investment in education; training and medical care has increased more rapidly than non-human capital. He perceives that increases in labor productivity may in large part of return to investment in human beings. He elaborates his ides by saying, “the more important types of human investment include health facilities and services, on the job training, formal education adult study programmes not organized by firms and migration of individuals and families to better jobs”.


Schultz\textsuperscript{33} has further quoted economist who considered human beings as capital. He says “Among the few who have looked upon human beings as capital there are three distinguished names. The philosopher-economists Adam Smith boldly included all the acquired and useful abilities of all the inhabitants of a country as a part of capital. So did H. Von Thunen, who then went on to argue that the concept of capital applied to man did not degrade him or impair his freedom and dignity but on the contrary that the failure to apply the concept was especially pernicious…” however Schultz has observed that the main stream of thought among economist has held that it is neither appropriate nor practical to apply the concept of human beings. Marchall whose great prestige goes far to explain why this view was accepted, held that while human beings are incontestably capital from an abstract and mathematical point of view, it would be out of touch with the market place to treat them as capital in practical analysis.

Eminent economists in recent years have strongly advocated the importance of investment in human resources. These include Simon Kuznets, Edward P. Deminson, Gary S. Becker, Jacob Mincer and B.A Wisbrod. These writers have emphasized the usefulness of capital estimates, for the determination of optimum levels of investment in education, health and other HRD programmes.\textsuperscript{34}

**Education, economic Growth and HRD**

Studies conducted by Schultz, Becker, Deminson etc. have firmly asserted that education is a crucial factor in economic development. Deminson\textsuperscript{35} has argued that education contributed to economic growth by

\textsuperscript{33} Bombay. Schultz Theodore. Ibid.
\textsuperscript{34} Mehta M.M. (1976) HRD Planning with special references to Asia and the far East, McMillan Co. of India Ltd.
raising the quality and productivity of labor and by accelerating the rate at which society’s stock of knowledge itself advances.

Deminson\textsuperscript{36} concluded in his study that education alone was responsible for 23\% of the growth of the total real income and 42\% of the growth of real national income per person employed. Schultz’s\textsuperscript{37} study for the period 1900-1956 reveals that the income elasticity of demand for education was about 3.5 times over the period and alternatively education considered as ‘investment’ might be considered as 3.5 times more attractive as investment in physical capital. Norman Hicks\textsuperscript{21} has found that in the fast growing middle-income group nations an increase in literacy of 20 percent pushed up growth by 0.5 points.

These studies indicate that qualitative improvement in education is the backbone of any strategy of HRD and economic growth. Education contributed towards effective improvement in productive life and hence plays important role in HRD.

**Psychological and Sociological Approach to HRD**

HRD is directly related to the change in man’s productive behavior. For an effective HRD programme the basic ingredient in an organization is a proper understanding of the needs and behavior of the employees and timely and appropriate motivation desired to achieve an increase in the company’s productivity. A psychological attitude is to be developed by an organization for successfully achieving the goals of its HRD programme.

Psychologists believe that there is an optimum environment in which people work efficiently. If the environment is not congenial the worker may commit errors or work slowly and carelessly or may be absent himself form

\textsuperscript{36} Deminson E.F., Ibid. p.127.
\textsuperscript{37} Schultz T. W. Op. Cit.
the work. The HRD department should take effective counseling to make the worker feel that the work place is safe and the atmosphere is congenial. HRD Department should aim at making the worker industrially active and not industrially reactive. Mere wage incentive does not work here. There must be opportunities for consultations on personal problems. Group discussions, open discussions, retraining of leaders in accordance with democratic standards yield remarkable results psychological studies have concluded that human relations oriented supervisory styles effect productivity.

Sociologist’s preparation of HRD is related to mixture of social conflicts, thoughts or resources are by implication concern, industrial sociology or social psychology. Human resources is concerned with the human side of the business organization with groups of people with friends and enemies with varying needs and interest with emotions, resources, attitudes, cliques. Sociology of human resources is concerned with services classifying, predicting and understanding human behavior in business and industry. Burleigh and David have observed “It a study of social system in industry and studies system of authority, relationship between line and staff authority, the flow of work in relation to the social group, the sentiments, attitudes and feelings of people, the actions of the people participating in social situations, the interaction of sentiments and action within the social system.

The sociological approach to HRD has the advantage of bringing out the human aspects of the employee relationship. It has developed useful techniques of measurement of social organization and sentiments.

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Studies have proved that sociological factors such as attitude play an important role in the productivity of an organization. Elton Mayo\textsuperscript{39} has mentioned that absenteeism and labor turnover resulted from a feeling of being lost in the industrial technology.

Hence intelligent leadership was necessary to weld workers into motivated working groups, which would result in higher production, better attendance and less labor turnover.

\textsuperscript{39} Mayo Elton (1933) the Human Problems of an Industrial Civilization, New York, Viking.
HRD and Management

Management is concerned with exposing and exploiting the creative ability of the individual. Management deals with varied managerial procedures and planning, implementing, monitoring and evaluation to extract work from an individual in the organization. HRD is an instrument to reach this goal. Peter Drucker\(^\text{40}\) has observed “it is no accident that there is so much to talk about human relations, about giving the workers a sense of responsibility and so much emphasis on their feeling of importance and so little on making them and their work important, people are considered as the greatest asset by Drucker who maintains that only difference between one organization and another is the performance of the people. However the accounting treatment of the people shows them as ‘costs’. Human beings are always directed by the information and measurements they receive. Hence it is necessary to show people as capital investment on the asset side of the balance sheet.

The importance of human factor is stressed by Terry and Franklin\(^\text{41}\) “An enterprise is made up of humans, binding together for mutual benefits and the enterprise is made or destroyed by the quality and behavior of its people. What distinguish an enterprise is its human resources having the ability to use knowledge of all kinds”. HRD and management are closely related to each other. This stems from the fact that men who managed are men and that they will judge nature of the approach towards them by the management.

F.W Taylor and Frank William Gilberth attempted to develop new ideas of the scientific management their initial efforts related to the

\(^{40}\) Peter Drucker (1974) Management Tasks, Responsibilities and practices, Allied Publishers Pvt. Ltd., Delhi
installation of new incentive schemes, broadly designed to improve workers’ productivity efficiency. An Indian writer, Nanjundaiah has observed.

“The essence of HRD Department lies in the making the capabilities and performance of yesterday the minimum of the day and in turn making those of today the minimum of tomorrow. It is in this sense that HRD and management are continuous journey and never reach a final destination through sustained managerial excellence and timely managerial interventions.

HRD systems/ Interventions

HRD functions are carried out through its systems and sub-systems. Pareek, Rao (1992)\textsuperscript{42} developed the following systems framework of the HRD has five major systems each of the systems has sub-systems (interventions) as elaborated below: the first three systems viz., career systems, work systems and development systems, are individual and team oriented while the fourth and the fifth systems viz. self-renewal systems and culture systems are organizations based.

1. **Career systems:** As an HRD system, career systems ensure attraction and retention of human resources through the following sub-systems.
   - Manpower planning
   - Recruitment
   - Career planning
   - Succession planning
   - Retention

2. **Work systems:** work-planning system ensures that the attracted and retained human resources are utilized in the best possible way to

obtain organizational objectives. Following are the sub-systems of the work-planning systems.

- Role analysis
- Role efficacy
- Performance plan
- Performance feedback and guidance
- Performance appraisal
- Promotion
- Job rotation
- Reward

3. **Development systems**: the environmental situation and the business scenario is fast changing. The human resources within the organization have to raise upto the occasion and change accordingly if the organization wants to be in business. The development system ensures that the retained (career system) and utilized (work systems) human resources are also continuously developed so that they are in a position to meet the emerging need of the hour. Following are some of the developmental sub-systems of the HRD that make sure that human resources in the organization are continuously developed.

- Induction
- Training
- Job enrichment
- Self-learning mechanism
- Potential appraisal
- Succession development
- Counseling
- Mentor system

4. **Self-renewal systems**: it is not enough to develop individuals and teams in the organizations but occasionally there is a need to renew
and re-juvenate the organization itself. Following are some of the sub-systems that can be utilized to renew the organization.

- Survey
- Action research
- Organization development interventions
- Organizational retreats.

5. **Culture systems:** building a desired culture is the paramount importance in today’s changed business scenario. It is the culture that will give a sense of direction, purpose, togetherness, and team work. It is to be noted that whether an organization wants it or not along with the time common ways of doing things (culture) will emerge. If not planned carefully and built systematically such common traits may not help the business but may become a stumbling block. Hence it is very important to have cultural practices that facilitate business, some of the culture building subsystems are given below.

- Vision, mission and goal
- Values
- Communication
- Togetherness and celebrations
- Empowerments
- Rewards and recognition.

This essence of the HRD aims at achieving the objective of higher productivity through the following interventions.

1. Training
2. Performance appraisal
3. Career planning and counseling
4. Organizational development
5. Employee relations and their quality of work-life
6. Organizational communication
7. Quality circles
8. Rewards
9. Human resources information

Selection and Designing of HRD Interventions.

But the success of the HRD systems depends on how you select the particular HRD intervention. It is important to recognize that the choice of an HRD intervention is itself a crucial decision. Knowledge about prevailing culture is the key for making the decisions.

Pareek and Rao (1975)\textsuperscript{43} outlined a philosophy for the new HRD system. They outlined 14 principles to be kept in mind in designing HRD system. These principles deal with both the purpose of HRD systems and the process of their implementation. Some of these principles include:

1. HRD system should help the company to increase enabling capabilities. The capabilities outlined in their report include: Development of human resource in all aspects, organizational health, improvements in problem solving capabilities, diagnostic skills, capabilities to support all other systems in the company, etc.
2. HRD systems should help individuals to recognize their potential and help them to contribute their best various organizational roles they are expected to perform;
3. HRD systems should help maximize individual autonomy through increased responsibility.
4. HRD systems should facilitate decentralization through delegation and shared responsibility.
5. HRD system should facilitate participative decision making.

6. HRD system should attempt to balance the current organizational culture along with changing the culture.
7. HRD should balance differentiation with integration.
8. HRD should balance specialization with diffusion of the function.
9. The HRD system should ensure responsibility.
10. HRD should build feedback and reinforcement mechanism.
11. HRD should maintain balance quantification and qualitative decisions.
12. There should be balance between external and internal help.
13. The HRD systems should plan the evolution of the function.
14. There should be a continuous review and renewal of the function.

JP Singh (1989)\textsuperscript{44} argues that the top management should examine the managerial culture of the group and the organization before introducing HRD interventions. His study of Indian managerial culture using Hofstede’s model based upon 176 senior level managers belonging to 56 organizations spread over the country, showed that the Indian managers are low on all four dimensions like power distance, uncertainty avoidance, individualism and masculinity, he accordingly suggested the HRD Interventions.

He categorized HRD mechanism into three families based on their value orientation i.e power distance, uncertainty avoidance, individualism and masculinity. Table 1 shows the value orientation and HRD mechanism suggested.

### Table 3.1: Three families of HRD Interventions

<table>
<thead>
<tr>
<th>HRD Mechanism</th>
<th>Value Orientations</th>
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<tbody>
<tr>
<td><strong>Family 1</strong></td>
<td></td>
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<tr>
<td>Performance Appraisal</td>
<td>High individualism</td>
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<tr>
<td>Potential Appraisal</td>
<td>Medium to high power distance</td>
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<tr>
<td>Feedback and counseling</td>
<td>High Uncertainty avoidance</td>
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<tr>
<td>Training</td>
<td><strong>________</strong></td>
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<tr>
<td><strong>Family 2</strong></td>
<td></td>
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<tr>
<td>Team Building</td>
<td>High collectivism</td>
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<td></td>
<td>Low power distance</td>
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<tr>
<td>Organization development</td>
<td>Low uncertainty avoidance</td>
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<td></td>
<td>High femininity</td>
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<tr>
<td><strong>Family 3</strong></td>
<td></td>
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<tr>
<td>Rewards</td>
<td><strong>________</strong></td>
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<tr>
<td>Quality of work life</td>
<td>Tailored to suit prevailing value</td>
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<tr>
<td></td>
<td>Orientations</td>
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**Training:**

Training is an important tool of HRD Dunn and stephens\(^\text{45}\) maintain “training refers to the organizations efforts to improve an individual’s ability, to perform a job or organizational role and development refers to the organization’s efforts (and the individuals own effort) to enhance an

individual’s abilities to advance in his organization to perform additional job duties”.

Training enables employees to undertake jobs with responsibility and efficiency.

The basic idea behind training is to reduce waste in the use of men, money, machines and materials.

Training Methods

Training can be ‘in-plant training’ or through ‘external deputation programme’.

1. In-plant training covers lectures, case studies, incidents and discussions, induction training for fresh employees, role playing, programmed instruction, demonstration, brain storming sessions and simulation techniques, craft training, buzz groups, managerial and supervisory development programmes and job relation.

2. External deputation programmes involve employees deputation outside or either to companies engaged in the same occupation or to institutes, which provides consulting services and conduct specialized training programmes. Alternatively employees may also be deputed to participate in trade fairs, business conferences, exhibitions, seminars etc. organized by reputed institutions.

Performance Appraisal

No other managerial problem has attracted as much attention as the method for appraising performance. An effective performance appraisal system serves some important purposes viz.

a. Performance improvement
b. Employee development
c. Better supervisory understanding
d. Guides interval mobility of labor
e. Facilitates wage and salary treatment
f. Validates all personnel programme.

Leap Terry and Michael D’ Crino\textsuperscript{46} have defined performance appraisal as the process of assessing the quantitative and qualitative aspects of an employee’s job performance.

Different practices prevail across different organizations about the type of raters who does the appraisal. Most commonly found raters include immediate supervisors, peers, subordinates, self and client served by organization. It is generally admitted that continuous appraisals with multi raters using multiple instruments consisting of various performance appraisal system is more reliable valid and accepted.

Manjunath Kotian\textsuperscript{47} views there is an almost universal dissatisfaction with the way in which the way the organizations appraise employees. The following cardinal principles are suggested for an appropriate appraisal system.

1. The measurement system should be linked to the philosophy, culture strategy and goals of the organization.
2. Measurement should be applied to all levels of employees in the organization.
3. Multiple measures should be used within jobs and across levels.
4. Different measurement systems may be appropriate for organizational units.


5. Measurement may be applied to an individual or group of workers depending on characteristics of work.
6. Measurement should address both behaviors and results.
7. Measurement should address both long and short term aspects of performance.
8. What is being assessed should be under the control of the individual being evaluated.

**Career Planning and Counseling**

Career planning is an important input of an HRD program. It involves planned efforts on the part of the organization to chalk out and define career paths for its employees and counseling them about reaching these paths and thereby improve the organizational effectiveness.

Employees are made aware of the career paths well in advance. Employees are motivated to reach these paths and they strive to put in their best and attain high level of achievement.

Career counseling focuses on the analysis of job requirements and identification of training needs counseling is a dyadic process between organization on one side and the employee on the other. It differs from training mainly in its intensity of dyadic relationship and its focus on establishing mutuality and confidentiality. It enables employees to acquire insight into their future prospects in the organization and the ways and means of reaching those levels. The employee realizes his potential understands his strength and weakness and increases his personal and interpersonal effectiveness. Counseling helps employees to integrate with their organization and have greater sense of involvement and satisfaction. A
study by Hooviaik\textsuperscript{48} suggests that there is a link between the existence of defined career paths and the effectiveness of the organization.

**Organization Development**

Organization is a crucial HRD intervention. It believes that the French\textsuperscript{49} has perceived OD as a long-range effort to enhance an organization problem solving capability and its ability to cope with changes in the external environment with the aid of change agents. Bennis\textsuperscript{50} observes OD represents a response to change a complex educational strategy purporting to change the beliefs, attitudes, values and organization structure with a view to effectively adopting to new technologies, markets and challenges and the unsteady rate of change itself.

These definitions convey the significance of the fundamental change in organizational culture thereby leading to an improvement in productivity. OD is a planned and systematic process of ascertaining the psychological health of the organization, under OD process periodical employee surveys are conducted and problems such as absenteeism, interdepartmental or interpersonal conflicts, low productivity etc are solved. Organizational development involves interventions designed to address environmental issues or culture in organization.

**Quality Circles**

Quality control circles which are popularly known as quality circles(QC), have contributed a noticeable increase in work effectiveness and substantial improvement in the quality of work. Quality circle is a group


of employees of an organization normally belonging to same department who meet periodically to identify and study problems faced by them to suggest ways and means of solving these problems to the management or to take necessary steps to solve these problems themselves. The quality circles were started in Japan in 1962.

The concept of quality circles includes the quality of everything that an organization is involved with, like the quality of management and work organization productivity, turnover, satisfaction, reliability value for money, after sales service and support, customer information and training case of maintenance, speed of service as well as organization usage and customer confidence in it.

Quality circles are formed with the employees whose membership of the circle is voluntary. Participation of employees in QCs ensures excellence in performance by extracting total commitment, dedication and innovative spirit of employees. Employees have better job satisfaction higher sense of satisfaction of social needs like group belongingness and good work relations.

Quality circles are helpful in finding easy solutions to work related problems. They also ensure better communication and better industrial relations in improvement in cost, safety, productivity and quality. This leads to strengthened relations between the organizations and its employees.

To ensure the success of the QCs it is essential that active participation of all employees. Training should be imparted to employees about the QC concept.
Employee Relations and Grievance Management.

Effective and cordial employee relations and satisfactory or convincing grievances management is imperative for an organization to have a highly dedicated, committed workforce. HRD intervention through improved relations between the organization and the employees will gain higher productivity by way of upgrading of conceptual, managerial, behavioral and technical skills and thereby has a contended labor force.

Rewarding:

Employees can be motivated by way of rewarding them for their performance. It is easy to extract the best out of an individual by recognizing his worth and his abilities rewards lubricate relations between the employee and the organization rewards encourage the employees to acquire and apply positive attitudes and skills.

Human Resource Information and Communication:

An effective employee relation as HRD intervention requires that, there should be good organization communication, which provides information to all workers. Communication is the process of meaningful interaction among persons in an organization. Communication is a two way process while one person is communicating the other is receiving the communication. The communicator must be aware of both sides of this communication equation. Taking the other side for granted is often the cause for miscommunication.

There are some communication blocks, which the HRD intervention should try to overcome. These communication blocks are:

i. Organizational blocks
ii. Status blocks
iii. Intentional blocks
Towards a New Paradigm of HRD

Experts and academic thinkers consider that strategic integration of organization with global environment warrants a new paradigm of HRD. A new era of HRD has taken root in organization design with utmost role of human resources in shaping corporate/ business strategies and organization adaptation to external environment. It is found that the new HRD also frames environment/ responsive strategies unheard of in the present century. The new paradigm and functioning of HRD is quite new concept of what is already emerging in some of the organizations across the world meet the challenges of globalization. Obviously, HRD is the center of new organization design and organization development which alone enables the 21st century organization to achieve globalization.

HRD Evolution and Growth

HRD was first applied in 1968 in Washington. However prof. Lan Nadler made formal introduction of the concept in 1969 in the American society for training and development conferences, the same year US President Mr. Nixon introduced some new programmes aimed at human resources development and then the concept of HRD became popular both in academic and business world. In 1970s, the training professionals felt that there was a need to extend the training function beyond the classroom. The employee’s involvement in the organizational goal setting processes and the strategy formulating processes was slowly increasing. Organizations started considering human resources as a great asset. In 1980s and 1990s, several organizations and government started conducting seminars and conferences on human resource development, organizations started believing that human
resource development would be a valuable means to achieve the organizational objectives.

In the 21st century, with the advent of IT and ITES industries, the need for human resource development is being largely felt by many organizations. Today, irrespective of the size of the companies, the organizational members are focusing more on the training and development not only in the classroom but also beyond it.

**HRD in India**

In India professional outlook to HRD began in 1970 though the process might have existed to some extent earlier. Larsen and Turbo is perhaps the first company in India to design and implement an integrated HRD system in the 70’s with an objective of facilitating growth of employees especially at the lower level. It is also suggested that the term HRD was first introduced for the first time in India in the state bank of India in 1972. However by the late 70’s it had spread to many private sector organizations.

**HRD in Private Sector**

Many private sector companies had introduced HRD Departments in their organizations. Private oil companies like ESSO (Non HP), Burmah Shell (Bharat Refineries) and public sector Indian oil accepted training as a crucial tool for the development of human resources. Companies like Hindustan Lever, IBM, Dunlop, Metal Box, union carbide and business houses like Tata’s and DCM set up their own staff training centers to train their managerial personnel.
Rao and Abraham\textsuperscript{51} form their studies in 1984 have found that 30 percent of the 53 companies surveyed by them had their HRD departments. The others 38\% of the companies have HRD function in the ‘personnel department’

The government of India created a separate ministry of HRD in 1985. This has created more awareness about the HRD both in public as well as private sector.

The ministry has the following sub-divisions.
1. Department of Education
2. Department of youth affairs and sports
3. Department of Arts
4. Department of Culture
5. Department of women’s welfare

Whereas department No.2,3 and 4 have been clubbed under department of education, department of women’s welfare has been functioning as a part of the social welfare/ social security and even home affairs. The creation of the HRD Ministry has added new dimension to the efforts towards HRD.

**HRD in Government**

HRD in government refers to two aspects viz.

i. It refers to the HRD activities in the various ministries, departments and government agencies.

ii. Secondly, it refers to the role of government at the macro environmental level policies and conditions, which affect HRD in various other organizations.

Government has undertaken training activities for its personnel, job rotation, selection, manpower forecasting and maintaining personnel data bank.

Subsequent to setting up of Indian Administrative services and administrative reforms commission government officers are deputed for training in and outside the country. Computerized manpower data is done. There are systematic and carefully considered postings for specialized assignments.

**HRD in Public Sector**

In 1967 institute of Applied Manpower Research began offer programmes to develop mangers from enterprises in manpower planning and development. In company programmes were started by leading companies public sector corporations like coal India (Staff college of CIL), Steel Authority of India (SAIL), Fertilizer corporation of India (FCI), Management Development Institute (MDI), LIC of India Ltd., Hindustan Aeronautics Ltd. Bangalore, AIR Staff College Bombay, Indian Airlines, Indian Oil, Bharat Heavy Electricals Ltd. (BHEL) have their training establishments.

Banks have established their training institutes. Bankers training college of RBI prepared its personnel in the field of executive development in the banking sector. The Vaikunth Mehta National Institute of cooperative Management Poona acts as the main agency for training and development of Managers for cooperatives.

Indian Institute of Public Administration and National academy of Administration providing training and they also provide management education. The institute of Defence Management was started in
secunderabad in 1970, with the objective of preparing officers to meet emerging personnel and technological needs of the defense services. The IDA ensures HRD in Army, Navy and Air force.\textsuperscript{52}

\textsuperscript{52} Atherya M.B., Human Resources Development in Towards organizational Effectiveness through HRD- Unedited papers at the 1989 conference of the National HRD Network, New Delhi.