Chapter I
Introduction

The first chapter deals with a brief introduction, background of the study, research methodology and its limitations. It also gives the sources of data, objectives of the study, hypothesis tested, the methods used for primary survey and tools and techniques used by the researcher. This chapter also gives the overall presentation of the study.

The Prologue

Human resources is a term with which many organizations describe the combination of traditionally administrative personnel functions with performance, Employee Relations and resource planning. The field draws upon concepts developed in Industrial/Organizational Psychology. Human resources has at least two related interpretations depending on context. The original usage derives from political economy and economics, where it was traditionally called labor, one of four factors of production. The more common usage within corporations and businesses refers to the individuals within the firm, and to the portion of the firm's organization that deals with hiring, firing, training, and other personnel issues. Though human resources have been part of business and organizations since the first days of agriculture, the modern concept of human resources began in reaction to the efficiency focus of Taylorism in the early 1900s. By 1920, psychologists and employment experts in the United States started the human relations movement, which viewed workers in terms of their psychology and fit with companies, rather than as interchangeable parts. This movement grew throughout the middle of the 20th century, placing emphasis on how leadership, cohesion, and loyalty played important roles in
organizational success. Although this view was increasingly challenged by more quantitatively rigorous and less "soft" management techniques in the 1960s and beyond, human resources had gained a permanent role within an organization.

**Human Resource Management**

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations.\(^2\)

**Features of HRM**

Its features include:
- Personnel administration
- Personnel management
- Manpower management
- Industrial management

But these traditional expressions are becoming less common for the theoretical discipline. Sometimes even industrial relations and employee relations are confusingly listed as synonyms\(^3\), although these normally refer to the relationship between management and workers and the behavior of workers in companies.

The theoretical discipline is based primarily on the assumption that employees are individuals with varying goals and needs, and as such should not be thought of as basic business resources, such as trucks and filing cabinets. The field takes a positive view of workers, assuming
that virtually all wish to contribute to the enterprise productively, and that the main obstacles to their endeavors are lack of knowledge, insufficient training, and failures of process.

HRM is seen by practitioners in the field as a more innovative view of workplace management than the traditional approach. Its techniques force the managers of an enterprise to express their goals with specificity so that they can be understood and undertaken by the workforce and to provide the resources needed for them to successfully accomplish their assignments. As such, HRM techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall. HRM is also seen by many to have a key role in risk reduction within Organisations. Synonyms such as personnel management are often used in a more restricted sense to describe activities that are necessary in the recruiting of a workforce, providing its members with payroll and benefits, and administrating their work-life needs.

The goal of human resource management is to help an organization to meet strategic goals by attracting, and maintaining employees and also to manage them effectively. The key word here perhaps is "fit", i.e. a HRM approach seeks to ensure a fit between the management of an organization's employees, and the overall strategic direction of the company.

The basic premise of the academic theory of HRM is that humans are not machines, therefore we need to have an interdisciplinary examination of people in the workplace. Fields such as psychology, industrial engineering, industrial, Legal/Paralegal Studies and organizational psychology, industrial relations, sociology, and critical theories: postmodernism, post-structuralism play a major role. Many
colleges and universities offer bachelor and master degrees in Human Resources Management.

One widely used scheme to describe the role of HRM, developed by Dave Ulrich, defines 4 fields for the HRM function:

- Strategic business partner
- Change agent
- Employee champion
- Administration

However, many HR functions these days struggle to get beyond the roles of administration and employee champion, and are seen rather as reactive as strategically proactive partners for the top management. In addition, HR organizations also have the difficulty in proving how their activities and processes add value to the company. Only in the recent years HR scholars and HR professionals are focusing to develop models that can measure if HR adds value.

Critical Academic Theory

Postmodernism plays an important part in Academic Theory and particularly in Critical Theory. The Karen Legge in 'Human Resource Management: Rhetoric's and Realities' possess the debate of whether HRM is a modernist project or a postmodern discourse. In many ways, critically or not, many writers contend that HRM itself is an attempt to move away from the modernist traditions of personnel (man as machine) towards a postmodernist view of HRM (man as individuals). Critiques include the notion that because 'Human' is the subject we should recognize that people are complex and that it is only through various discourses that we understand the world. Man is not Machine, no matter what attempts are made to change it i.e. Fordism / Taylorism, McDonaldisation (Modernism).
Critical Theory also questions whether HRM is the pursuit of "attitudinal shaping" particularly when considering empowerment, or perhaps more precisely pseudo-empowerment - as the critical perspective notes. Many critics note the move away from Man as Machine is often in many ways, more a Linguistic (discursive) move away than a real attempt to recognise the Human in Human Resource Management.28

Critical Theory, in particular postmodernism (poststructuralism), recognises that because the subject is people in the workplace, the subject is a complex one, and therefore simplistic notions of 'the best way' or a unitary perspective on the subject are too simplistic. It also considers the complex subject of power, power games, and office politics. Power in the workplace is a vast and complex subject that cannot be easily defined. This leaves many critics to suggest that Management 'Gurus', consultants, 'best practice' and HR models are often overly simplistic, but in order to sell an idea, they are simplified, and often lead Management as a whole to fall into the trap of oversimplifying the relationship.

**Business Practice**

Human resources management comprises several processes. Together they are supposed to achieve the above mentioned goal. These processes can be performed in an HR department, but some tasks can also be outsourced or performed by line-managers or other departments.

- Workforce planning
- Recruitment (sometimes separated into attraction and selection)
- Induction and Orientation
- Skills management
- Training and development
- Personnel administration
- Compensation in wage or salary
- Time management
- Travel management (sometimes assigned to accounting rather than HRM)
- Payroll (sometimes assigned to accounting rather than HRM)
- Employee benefits administration
- Personnel cost planning
- Performance appraisal

**Careers in HRM**

The sorts of careers available in HRM are varied. Human resource assistant are generalist HRM. There are careers involved with employment, recruitment and placement. Training and development specialism is often conducted by trainers and orientation specialists. Compensation and benefits tasks are handled by compensation analysts, salary administrators, and benefits administrators.

**Human Resource Management - Approaches**

The term Human Resource management came to prominence during 1980s as a pressure grew to give priority for the effective management of people at work. The pressure which led to greater interest in 1980s still persists today which include growing market competition, changing expectations of the employee, complex management process, availability of 'excellence' and 'quality' models. Competitive market pressures demands full use of human resources and a higher quality of goods and services arguably provided the main pressure, while a key trigger was provided in accounts of success stories of companies. Analysis of Japanese companies appeared to demonstrate
that they succeeded through a distinctive approach to management of human resources. The importance of human resources was reinforced by American perspective by Peters and Waterman's book *In search of excellence*. This claimed that the best American company succeeded by emphasizing the soft side of management, that is management of human resources. Reinforced by hyperbole and rhetoric became popular in industry and came to offer a counter to the growing Japanese competition.\(^{29}\) One of the distinctive feature of Human Resource management is that as the critical success factor it is too important to be left to human resource specialist. What was needed is to present human resource management an approach appealed to line managers. This means the traditional personnel management has to be repackaged and extended.\(^{30}\) Organisations have choices about how they want to pursue human resource activities according to the policy goals to which they give priority. They accept an open systems approach indicating that range of influences are likely to determine policy priorities.\(^{31}\) The distinctive feature of HRM is that it links HRM policy and HRM strategy to business strategy, shifting the emphasis from the traditional administrative, fire-fighting and problem-solving activities of personnel management to a more proactive and strategically oriented role.\(^{32}\)

HRM as an approach based on a distinctive set of values is the contrast between traditional management values which emphasize compliance and control of the workforce with HRM values based on employee commitment and workforce Autonomy. This implies a different kind of Psychological contract based on reciprocal commitment and high trust. Employees have interesting and challenging jobs but at the same time are fully utilized to the benefit of the company. Workers are encouraged to contribute to Innovation and change in return for implicit guarantees of job security. The contrast between the
more traditional values and those associated with this view of HRM are perhaps more marked in a country like the United Kingdom rather than the United States because of the stronger United Kingdom tradition of pluralist industrial relations with its heavy Trade Union influence. The HRM policies pursued most notably in the 1980s by a number of American high technology companies such as IBM, Hewlett Packard, and DEC provided a vivid contrast and offered a distinctly different approach. Indeed HRM attracted the suspicion of trade union sympathizers since, by inducing employee commitment to organization, it threatened to reduce commitment to the union and diminish the union role. This distinctive approach to HRM, built around commitment to the organization emphasizes the need to give greater priority to human resource issues and acknowledges multiple stakeholder perspectives, including the possibility of Dual commitment to both company and union.33

The approach to HRM taken by American high-technology companies had the policy goals of securing a workforce highly committed to the company, highly flexible in skills and roles, and of high quality. These goals were achieved through careful attention to key policy levers such as selection, Socialization, Training and development, Communicating, Employee involvement, and rewards systems. Success depended on achieving careful integrating between corporate and human resource strategy; integration between the various human resource policies and practices; and integration of human resource and line management values. Line managers in these organizations had internalized the human resource values, were eager to own them and make them work. The question then arises as to whether these distinctive HRM values and the policy goals associated with them should be advocated for all organizations or only under specific
conditions. Some believe that they should apply in all organization’s\textsuperscript{34} other advocated generic strategies\textsuperscript{35} such as a basis for determining when this distinctive set of HRM goals might be appropriate.

One further element in the development of HRM has been the emergence of a number of techniques with demonstrated benefits for performance. To take just a few illustrations, there has been major progress through application of utility analysis in demonstrating the benefits of the use of selection tests; Goal setting, when properly used, does appear, as its advocated suggest to be an effective motivational technique; and careful job design has a demonstrated capacity to improve individual satisfaction and well-being. It is, of course, possible to apply the techniques without pursuing distinctive HRM policy goals. The HRM argument is that their impact will be greater if they are part of a coherent philosophy and strategy.

Evidence taken from the United States and from the United Kingdom confirms that there has been a great deal of innovative activity\textsuperscript{36}. However there appears to be risk that HRM becomes the umbrella under which variety of techniques are tried and tested without ever achieving the strategic integration or congruence which the more sophisticated models call for. One context within which it might be expected that HRM would come into its own is in Greenfield sites—newly built factories and offices—where managers have an opportunity to introduce the best contemporary practice with relative freedom for the constraints of custom and practice. Evidence from the United States suggests that where this opportunity is taken it can result in sustained high performance over a long period.\textsuperscript{37} In the United Kingdom there are also well-known cases, usually of foreign-owned manufacturing plants which have successfully applied HRM on Greenfield sites\textsuperscript{38}. However, many managers still prefer the traditional approach, pursuing high
performance through efficiency and tight control rather than by using HRM to ensure full utilization of human resources.

The impact of a number of techniques which might be expected to contribute to HRM policy goals has sometimes been disappointing. For example Quality circles have rarely made a sustained contribution and Employee involvement initiatives have often failed to improvement initiatives have often failed to improve commitment to the organization. Explanations for failure can be found in the short-term, partial, and unenthusiastic application of these techniques. However a fuller explanation can be linked with the idea of strategic integration. The case is that the positive impact will only arrive when there is real commitment to philosophy of full utilization of human resources to what he terms "total involvement management". This requires comprehensive strategic integration to the point where HRM is a core part of the business strategy. There is a critical mass of cohering and mutually supportive HRM policies, and top management displays full commitment and ownership to ensure the culture reinforces the application of HRM.39

Achieving success through a full utilization model of HRM is an extremely difficult long-term endeavor. The prizes are great but the organizations frequently cited as the models for the success of this approach, the high-technology companies, are currently experiencing huge problems in the marketplace. Any doubts this raises in the minds of some managers are likely to be reinforced by fashions such as Business process re-engineering or lean management which place greater weight on efficiency. It may be that as the initial gloss wears off, it is time to reshape the concept of HRM to reflect changing circumstances, in which speed of response is a key to success. This
requires new kind of psychological contract. The bedrock of job security can no longer provide the ground on which to build HRM.

Human Resource Development (HRD) is the framework for helping employees to develop their personal and organizational skill, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development.

The term “HRD” is loosely used. Scholars do not fully agree regarding the boundaries of the field. In “Models for HRD Practice,” McLagan (1989) affirms that HRD consists of three interventions: training and development (T&D), organization development (OD), and career development (CD). Swanson and Holton (2001) also include training and development and organization development as part of HRD, but leave out career development in their model or definition. Professional organizations such as the Academy of Human Resource Development (AHRD), the American Society for Training and Development (ASTD), and the International Society for Performance Improvement (ISPI) more or less discuss HRD issues, although they may use different frames or approaches in looking at the field; this is also an indication that HRD is anambiguous field.

In practice, the term “HRD” is not a standard one, and it is often interchangeably used with other terms. For example, a company might call its HRD unit a training division, an HRD department, a training department, a performance department, a corporate university, or the like. HRD programs or activities might be called training, training and development, staff development, employee development, adult education, and so forth (Beder, 1989; Robinson and Robinson, 1996;
Swanson and Holton, 2001). This study uses the term “HRD” as a broad umbrella and an interchangeable term with training and development, depending on the context of the discussion. Training and development is viewed as only one form of HRD, but it is the major form used and, thus, it might dominate the discussion. In this study, the term “HRD practitioners” refers to those who perform roles, hold positions, or are individuals such as trainers, training designers/developers, or other training administrators/staff in the organization highly involved in the HRD process. The term “HRD practice” refers to programs, events, activities, systems, and even viewpoints that the company or HRD practitioners might have or embrace.

As the world is becoming more and more global, scholars must be knowledgeable about the global environment and understand viewpoints, needs, and experiences of others from different parts of the world or different countries. Scholars in the field of human resource development (HRD) are no exception and need to carry out even more global or international HRD investigation because the field is relatively young and not mature yet (Elliot, 2000; Marquardt and Engel, 1993; Swanson, 2001; Swanson and Holton, 2001), and the current discussion on HRD is dominated by American scholars and practitioners (Streumer, Van der Klink, and Van de Brink, 1999).

Osman-Gani (2000) further considers ASEAN (the Association of Southeast Asian Nations) a significant area for international HRD investigation. The association consists of ten member countries — Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam— and is “ranked among the world’s largest host of foreign direct investment inflows” (p. 215).

Indonesia plays a significant role in ASEAN as the country is one of the founders of the association and has the highest population and largest
area of all the members. With more than two hundred million people living in more than 13,000 islands, being strategically located between two continents (Asia and Australia) and between two oceans (the Pacific and the Indian), and speaking hundreds of different languages, the country is geographically unique, and culturally diverse. Under such circumstances, an international HRD investigation in India is a challenging endeavor.

A well-known literature review about international HRD investigation was the work of Hansen and Brooks (1994). Essential of the review was the identification of two major shortages of international HRD investigations. The first shortage pertained to the approaches utilized in the investigations. The review indicated that most international HRD studies lacked in-depth understanding of the settings investigated because of the typically dominant use of positivistic approaches. To enrich the body of knowledge of international HRD with a more in-depth understanding of the settings investigated, Hansen and Brooks suggested a more qualitative or naturalistic study. The second shortage of international HRD studies pertained to the issue of who performed the studies. With regard to this issue, Hansen and Brooks found that the results of international HRD studies tended to be biased by American scholars and practitioners’ HRD perspectives because most of the studies were conducted by non-native researchers, typically Americans, who were by and large unfamiliar with the local settings being investigated. Hansen and Brooks then called for international HRD studies performed by native researchers. In short, Hansen and Brooks’ review of international HRD investigations revealed the need for more qualitative or naturalistic studies performed by native researchers. This dissertation is a naturalistic endeavor and the researcher is a native person of the setting being investigated.
Chart No:-1.1

Employment in Public Sector by branch

Employment in public sector (by branch)

Source: HRD Ministry of India, (2010)

Chart No:-1.2

Comparative analysis of employment in Public & private sector.

Source: HRD Ministry of India, (2010)
Table No: - 1.1

Employment By zones at a Glance

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Zone</th>
<th>Employment (in Thousands)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>1</td>
<td>Northern</td>
<td>4090</td>
<td>4049.1</td>
</tr>
<tr>
<td>2</td>
<td>Central</td>
<td>3819.2</td>
<td>3759.2</td>
</tr>
<tr>
<td>3</td>
<td>North Eastern</td>
<td>1495.9</td>
<td>1511.9</td>
</tr>
<tr>
<td>4</td>
<td>Eastern</td>
<td>4318.9</td>
<td>4358.1</td>
</tr>
<tr>
<td>5</td>
<td>Western</td>
<td>5253</td>
<td>5631</td>
</tr>
<tr>
<td>6</td>
<td>Southern</td>
<td>7427.6</td>
<td>7381.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>26404.6</strong></td>
<td><strong>26690.7</strong></td>
</tr>
</tbody>
</table>

Source: HRD Ministry of India, (2014)

The discussion above by and large conveys four major points. First, HRD scholars are concerned with international investigations (Marquardt and Engel, 1993; Streumer et al., 1999; Swanson and Holton, 2001). Second, there is a suggestion regarding the need for HRD investigations in ASEAN member countries (Osman-Gani, 2000). Third, India is a country that plays a significant role in ASIAN, and fourth, the review of international HRD literature indicates the lack of naturalistic studies performed by native researchers (Hansen and Brooks, 1994). In response to these matters, the HRD study was conducted in Small & Medium Enterprises of Aurangabad District. The companies were selected for its important role in the country, and the significant size of its training division. The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals.
in service to customers. Organizations have many opportunities for human resources or employee development, both within and outside of the workplace.

Human Resource Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, Human Resource Development can be informal as in employee coaching by a manager. Healthy organizations believe in Human Resource Development and cover all of these bases.

**HRD's Role in a Global Context**

HRD does not exist in isolation; rather it is part of a much broader context that must be considered in order to understand the complexity and variability of HRD across organizations. At the global level, HRD, with its ability to adopt both a production-oriented and a people-oriented role, is faced with the need to play a leadership role in critical economic and social problems. Thus, in a general sense, HRD's role is both economic and social. The development of human resources is fundamental to improving economic productivity and quality of life.

Global trends including technological advances, global interconnections and communications, shifting demographics, environmental concerns, economic cycles, and changing employee and customer expectations affect the role that HRD plays and will continue to play throughout the world. By enhancing organizations' capacity to learn and change more quickly, HRD facilitates individual and organizational adaptation and progress in a turbulent world. We have seen a widening gap between those that have and do not have economic security and prosperity, often coupled with a knowledge and skills gap. HRD has the opportunity "to pave the way for a level of thinking and code of practice that enhances
performance and stimulates greater enlightenment and meaning in people's lives."

**HRD Objectives**

HRD is multidisciplinary and somewhat nebulous in nature. HRD implies a wide, complex range of objectives and activities. At the same time, HRD must be flexible enough to meet the needs of a rapidly changing economic and social environment. How can we visualize and make sense out of this broad scope of objectives?

**Planning Strategies for HRD**

Planning is a primary function in the management of any organization or system. In simple terms, planning involves setting the direction for the system and determining how to guide the system in that direction. Planning activities can be highly complex or simple, and can involve an individual or an entire multinational organization. The act of planning usually takes place at every level and within every function of a system and is crucial to the survival and success of the system.

**Consideration of the Purpose and Role of HRD**

As part of the broader view of HRD, several of the authors define HRD and its purpose and role within a broader systems framework. Over the years numerous scholars have attempted to define HRD, resulting in a variety of conceptualizations of HRD. Some of the common themes suggested by other scholars appear here, such as the observation that HRD is an interdisciplinary field that involves research, theory, and practice involving the learning and development of individuals, groups, organizations and other systems. Certainly, HRD employs a variety of interventions or developmental activities to enhance human potential
and productivity of individuals, groups, and organizations. HRD is more, however, than a collection of tools and techniques; it is a process. Going beyond the traditional boundaries of HRD, this section expands the purpose of HRD to include the need to "contribute to sustainable development," and the role of HRD in both "competence and culture building" for the purpose of achieving the current and future goals of an organization. We are also reminded of HRD's role in ensuring that an organization develops a learning culture and a learning strategy to achieve its mission and goals. As an additional clarification, HRD is said to be strategic "if it is aligned with organizational goals, objectives, problems and developments." All of these points add to a richer understanding of the purpose and role of HRD, and highlight the common agreement on HRD's focus on learning for the betterment of individuals, organizations, and societies.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Country</th>
<th>2012 Micro</th>
<th>All SMEs 2012</th>
<th>2013 Micro</th>
<th>All SMEs 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>34.6</td>
<td>66.3</td>
<td>44</td>
<td>74</td>
</tr>
<tr>
<td>3</td>
<td>Poland</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Slovenia</td>
<td>-</td>
<td>-</td>
<td>27</td>
<td>64</td>
</tr>
<tr>
<td>5</td>
<td>Slovakia</td>
<td>-</td>
<td>56</td>
<td>-</td>
<td>69</td>
</tr>
</tbody>
</table>


It can be seen from the above table that the employment in SME around the globe, the table highlights on the total employment in % in India which has increased by 66.3 % in 2012 to 74 % in the year 2013.
Table No:- 1.3
Employment shares by size of enterprises, Europe, USA, Japan and India (2013)

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Country</th>
<th>Micro sized (0-9 empl.)</th>
<th>Small sized (10-49 empl.)</th>
<th>Medium sized (50-249 empl.)</th>
<th>Total (0-249 empl.)</th>
<th>Total (250 empl.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Europe-19</td>
<td>34%</td>
<td>19%</td>
<td>13%</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>2</td>
<td>USA</td>
<td>11%</td>
<td>19%</td>
<td>12%</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>4</td>
<td>India</td>
<td>44%</td>
<td>39%</td>
<td>29%</td>
<td>112%</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Source: European Commission (2013)**

It can be seen from the above table, the employment share by size of enterprises, of Europe, USA, Japan and India.

**HRD Concept**

There are two different kinds of HRD objectives, those related to change and those related to maintenance. Each type of objective encompasses four levels of objectives: individual, critical performance subsystem, process, and mission. The framework illustrates the interdependent and mutually reinforcing aspects of HRD objectives. By enhancing learning and human potential, we create high performance work systems, which in turn contribute to sustainable human development. Sustainable human development is a fundamental objective of HRD because it makes future improvements in learning, human potential and work system performance possible.
The following is a brief summary of the elements of this framework. First, change objectives focus on improving the functioning of work systems, including methods, processes, and system and sub-system interfaces, as well as developing new systems. Maintenance objectives, on the other hand, serve the purpose of preserving the functioning of the work system, and may include analysis of the operation of subsystems, interventions to control operations, troubleshooting to identify causes of malfunctions, and so on. Both change and maintenance objectives contribute to sustaining and improving work system performance. HRD objectives at the individual level are meant to enable individuals within a work environment to improve their contributions to the overall system performance. Critical performance subsystem objectives focus on work teams, production units and other internal sub-systems that contribute to the overall mission of the work system. At the process level, objectives focus on improving the way in which work gets done by considering sets of interconnected work activities or processes that produce a product or service. Mission level objectives focus on the relationship between HRD, work system goals, and the work system's external environment. All lower level objectives should be developed and carried out in ways that support these guiding objectives.
Table No: 1.4

Sector and firm size statistics at a Glance

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Particular</th>
<th>Sample Size firm size (No. of Employees)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>Range</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Cleaning services</td>
<td>3</td>
<td>14.0</td>
<td>10-18</td>
</tr>
<tr>
<td>2</td>
<td>Metal products and machinery manufacturing</td>
<td>5</td>
<td>17.0</td>
<td>10-25</td>
</tr>
<tr>
<td>3</td>
<td>Information and communication technology</td>
<td>3</td>
<td>19.0</td>
<td>12-25</td>
</tr>
<tr>
<td>4</td>
<td>Retail (food)</td>
<td>5</td>
<td>22.8</td>
<td>10-41</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>16</td>
<td>17.6</td>
<td>10-41</td>
</tr>
</tbody>
</table>

Source: European Commission (2013)

Key Mission-Level HRD Objectives

According to Bates, two mission-level objectives should guide HRD practice. The first objective emphasizes HRD as a strategic asset. HRD objectives should address the long-term performance goals of the organization and help ensure that those goals are met. The second mission-level objective is to enhance learning, human potential and high performance in work systems in ways that contribute to sustainable human development. These two objectives demonstrate that HRD as a field of practice is concerned not only with "what is", but more importantly, with "what should be," and as such, HRD is a normative endeavor. HRD, because of its unique capabilities, can and should play
a leading role in solving human and organizational problems while also providing leadership for efforts to develop a sustainable future.

**Human Resource Development Activities**

In this article Sofo discusses HRD activities within three broad functions: training, development, and education. HRD activities vary by level (individuals, groups, teams, communities, nations, worldwide organizations), function (type of learning involved from very simple to very complex), and timeframe (from a few minutes to several years). Despite dramatic differences, all HRD activities have at least two things in common: 1) HRD activities are all directed towards learning and change; and 2) HRD activities are directed at people, either individuals or groups of different sizes ranging from small teams to national and even global audiences. HRD activities can be deliberate or spontaneous. Learning, as described by the Learning Declaration Group, can be both enjoyable and painful; formal and informal; and a cause and a consequence of change. Learning requires questioning, listening, challenging and inquiring; becomes more effective when it is self-managed; and requires policy makers, leaders, facilitators and individuals to support one another to improve the quality of discovery, innovation and insights.

It is important to note that HRD must be aligned to the personality, dynamics, and infrastructure of the entity, reflecting and working with the assumptions of those involved. An imposed HRD philosophy rarely works.

**Machine and Ecological Approaches**

HRD activities can be located on a continuum from what we describes as a machine approach to an ecological approach. Within a more machine-oriented environment, HRD requires clear, well-thought-out
processes that reflect the ideals and needs of senior decision-makers. Core training functions are likely to be focused on improving efficiency and effectiveness. HRD tends to be a centralized function expected to keep skill levels and competencies on track and aligned with a pre-determined organizational direction. At the other end of the continuum, an ecological approach accepts that individuals, teams, and the organization as a whole are in constant flux. The organization is a living system that cannot be controlled by mechanistic systems. HRD activities focus on engaging more than controlling. People are encouraged to be self-managing, and are assisted in building networks and relationships that will help them perform their jobs. Knowledge is shared with anyone at any time. In reality, organizations may display characteristics of both approaches, although they generally lean toward one end of the continuum more than the other.

Training for Individual Performance Improvement and Organizational Growth

Training within an organization usually focuses on producing permanent behavior change that leads to improved performance and organizational success. Training is designed to improve both performance in the current job, and eventual mobility from one job to another one. Organizations offer training in diverse ways: in classrooms, on the job, through the internet and intranets, through audio-conferencing, via virtual classroom courses, and so on. Electronic formats for instruction continue to increase. From 1997 to 2000, for example, there was a 95% increase in internet-based training per year.
Chart No:- 1.3
A Framework on HRM within SMEs

Contextual dimensions:
- size
- environment
- technology

Financial resources

Structural dimensions:
- formalization
- specialization
- standardization
- centralization

Constrained margin for decision-making

Stakeholders:
- owner and/or director
- management team
- HR staff
- employee representatives (works council, unions)
- governmental and non-governmental organizations

Stakeholders’ decisions are influenced by the following contextual dimensions:
- goals and strategy
- organizational culture

Unique approach to HRM

HR outcomes

Organizational performance

Despite fears to the contrary, electronic methodologies will not replace classroom training, which is also projected to grow, although much more slowly. Knowledge management initiatives are also increasing in number, and HRD will undoubtedly play a key role as training, information technology, and business re-engineering become more intertwined.

Sofo suggests that those involved in training must work harder to develop a clearer focus on the needs of individuals using a combination of complementary efforts that support learning outside formal training efforts, such as action learning, mentoring, coaching, performance development systems, learning contract, and experiential learning processes. Training must be strongly linked with actual job or life requirements. So also notes the need to consider both near and far transfer of training issues, in order better to produce improved performance and organizational productivity. He offers tips to improve the transfer of learning during the design, development, and post-course implementation phases of a learning initiative. Within organizations, HRD is increasingly within the manager's and team leader's responsibilities, rather than being confined to an HRD department’s control. No one best way to develop staff members exists, although commitment from leaders, teams, and individuals helps. HRD professionals are changing their focus from training activities to performance improvement strategies. This mindset shift influences all of the dimensions of HRD activities: function, mission, services, roles of staff, structure, and measures and accountabilities.

One way to look at HRD activities is through the desired outcomes of HRD, many of which are listed in this article. Another is to consider a list of 36 "polarizations" that help us consider the range of activities and
approaches used in HRD. A ten-step HRD development process is also recommended.

**Resource Requirements for HRD**

This article starts by framing HRD within its context, macro or micro. In an organizational context, HRD's main purpose is to build the competencies and culture that will enable the organization to achieve its current and future goals. In a national context its objective is to enable people to "make things happen." Rao explores the various resources required to carry out effective HRD at both the micro and macro levels. These resources include HRD professionals and their competencies, HRD structures, technology and systems to facilitate HRD, a culture that nurtures and values the development of human resources, and policies that can develop the culture and competencies.

**HRD Professionals**

Trained people who can facilitate HRD are the first necessary resource. At the organizational level they are HRD managers, while in a national development context they may be teachers, media people, and others who contribute to a systematic approach to competence building. Line managers and CEOs at the micro level and country leaders at the macro level also play a crucial role, but specialized HRD professionals are critical to the success of HRD. Rao notes that an HRD professional's competencies should include: knowledge of business, knowledge of HR practices, management of change, business mastery, HR mastery change and change process mastery, and personal credibility. These competencies can also be divided into three main areas: 1) HRD professional knowledge, 2) HRD professional skills, and 3) personal
attitudes and values. Within each of these areas, Rao includes numerous specific competencies.

Examples of necessary HRD professional knowledge components include: 1) HRD philosophy, policies, practices, and systems; 2) performance appraisal systems and practices; 3) potential appraisals in theory and practice; 4) career planning and development systems and practice; 5) organizational diagnosis interventions; and twenty-five others. Examples of HRD professional skills include: 1) influencing top management; 2) influencing line managers; 3) articulating HRD philosophy and values; 4) skills for designing HRD systems; 5) communication skills; and fourteen others. Examples of necessary personal attitudes and values include: 1) empathy and understanding; 2) positive and helpful attitude to others; 3) faith in people and their competencies; 4) introspective attitude; 5) openness; and fifteen others.

**Needs Assessment in HRD**

HRD needs assessment is an investigative process whose purpose is to connect an organization’s performance problems or opportunities for performance improvement to specific HRD interventions. In simple terms it is a systematic process for identifying the gap between a current level of performance, or "what is", and a desired level of performance, "what should be".
### Table No :- 1.5

**Estimates of pay in SMEs as % of National averages**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Country</th>
<th>Overall</th>
<th>Clothing &amp; textiles</th>
<th>Hotels &amp; catering</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Austria</td>
<td>-</td>
<td>86</td>
<td>69*(a)</td>
</tr>
<tr>
<td>2</td>
<td>Belgium</td>
<td>80</td>
<td>-</td>
<td>(69)*</td>
</tr>
<tr>
<td>3</td>
<td>Denmark</td>
<td>-</td>
<td>91*(b)</td>
<td>81*</td>
</tr>
<tr>
<td>4</td>
<td>Finland</td>
<td>'slightly less'</td>
<td>70*</td>
<td>69*</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>80</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>85-96</td>
<td>-</td>
<td>66-70 (c)</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>73*</td>
</tr>
<tr>
<td>8</td>
<td>Greece</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Ireland</td>
<td>73</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>62</td>
<td>71</td>
<td>73</td>
</tr>
<tr>
<td>11</td>
<td>Netherlands</td>
<td>94</td>
<td>(86)*</td>
<td>(69)*</td>
</tr>
<tr>
<td>12</td>
<td>Norway</td>
<td>-</td>
<td>86*</td>
<td>76*</td>
</tr>
<tr>
<td>13</td>
<td>Spain</td>
<td>78-100</td>
<td>-</td>
<td>66*</td>
</tr>
<tr>
<td>14</td>
<td>Sweden</td>
<td>-</td>
<td>-</td>
<td>(83)*</td>
</tr>
<tr>
<td>15</td>
<td>UK</td>
<td>80-85</td>
<td>55*</td>
<td>63*</td>
</tr>
<tr>
<td>16</td>
<td>Poland</td>
<td>58-94</td>
<td>(55)*</td>
<td>45-87</td>
</tr>
<tr>
<td>17</td>
<td>Slovakia</td>
<td>107</td>
<td>66*</td>
<td>73*</td>
</tr>
<tr>
<td>18</td>
<td>Slovenia</td>
<td>-</td>
<td>61*</td>
<td>74*</td>
</tr>
</tbody>
</table>

Source: Calculated from reports by EIRO national centres.
Supplemented with data calculated from the ILO Yearbook of Labour Statistics, 2013
The table no 1.4 highlights on the pay in SME as % of national averages, we can see that India has 62 % of the overall pay as compared to 71 % of clothing and textiles and 73 % of hotels and catering.

**Table No. 1.6**

**District wise information of total number of SSIs in Marathwada region as on March, 2014**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the District</th>
<th>Cumulative No. of Units Pmt. Regd. Up to 31st March, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aurangabad</td>
<td>3583</td>
</tr>
<tr>
<td>2</td>
<td>Jalna</td>
<td>890</td>
</tr>
<tr>
<td>3</td>
<td>Parbhani</td>
<td>697</td>
</tr>
<tr>
<td>4</td>
<td>Hingoli</td>
<td>120</td>
</tr>
<tr>
<td>5</td>
<td>Beed</td>
<td>1420</td>
</tr>
<tr>
<td>6</td>
<td>Nanded</td>
<td>1455</td>
</tr>
<tr>
<td>7</td>
<td>Osmanabad</td>
<td>630</td>
</tr>
<tr>
<td>8</td>
<td>Latur</td>
<td>2029</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>10824</strong></td>
</tr>
</tbody>
</table>

Table no 1.5 highlights the District wise information of total number of SSIs in Marathwada region as on March, 2014. It is seen that there are 3583 registered SSI in Aurangabad industrial area which is overall high in Marathwada region followed by latur which is having 2029 number of registered SSI in Marathwada region, the lowest number of SSI is in hingoli district which is having only 120 registered SSI.
What Are Needs?
The term "need" can be somewhat ambiguous. What one person considers a need, another may consider a want or desire, leading to the terms "felt" and "actual" needs. In some cases, felt needs are actually symptoms of deeper actual needs. For example, a group of employees expresses a felt need for stress management training. Upon investigation, however, the actual need may be to ameliorate or eliminate the sources of stress, such as noise, inefficient work processes, or ineffective supervisory practices.

Purpose and Levels of Needs Assessment
A comprehensive needs assessment provides a systematic way to research performance gaps, which can then provide substance and direction for strategic HRD planning, including the identification of performance improvement initiatives that are likely to provide the best return on HRD investments. Training needs assessments, for example, can determine levels of optimal performance and standards for excellence, evidence of individuals’ actual performance levels, attitudes affecting performance, and root causes of performance problems. Although the needs assessment process is often skipped or cut short, for a variety of reasons, well-researched needs assessment can help avoid wasted time, effort, and money. As Drucker has pointed out, "There is nothing so useless as doing efficiently that which should not be done at all." The type of information needed affects the focus of a needs assessment. Needs within an organization may be assessed at a high strategic level, a departmental or functional level, a team or group level, or at the individual level. The organization’s performance within the context of the wider society might also serve as the focus of a needs
assessment. Choosing an appropriate level of assessment is critical to the resulting analysis.

**Steps and Methodologies**

Berger provides suggestions for framing the needs assessment process, based on three elements: organization characteristics, decision-maker characteristics, and analyst characteristics. Numerous needs assessment models exist, and include steps such as the following:

1. Define the goals/objectives of the assessment.
2. Develop an initial plan.
3. Gain management commitment.
4. Identify the data needed.
5. Identify sources of data.
6. Select the most appropriate methodologies for the assessment.
7. Collect the data.
8. Analyze the results.
9. Resolve disagreements in interpretation of the results.
10. Prioritize the needs.
11. Compile and present your findings.

Techniques for data collection may include observation, surveys or questionnaires, one-on-one interviews, phone interviews, focus groups, tests, analysis of existing performance data, job and task analysis, critical incident surveys, and reviews of professional literature, conference reports and other benchmarking sources.

**The Link to Evaluation**

Needs assessment is the first step of a planned performance improvement cycle. The results of the needs assessment can be used as the basis for evaluating the outcomes of the HRD initiative: Were the
needs identified in the needs assessment satisfied as a result of the HRD initiative? Since evaluation frequently uncovers new needs that must be analyzed, the evaluation step often leads back to the beginning of the cycle, and so the cycle continues.

**Guidelines**

Some of the guidelines for carrying out an effective needs assessment include:

1. Use a performance model appropriate to the organization.
2. Start as far up in the organization as possible when analyzing performance issues.
3. Use a variety of techniques for gathering data.
4. Keep the assessment short but complete.
5. View needs assessment as an investment, not a cost, and market it that way to management.
7. Consider timing.
8. Consider the audience when reporting the results.

Finally, when assessing needs, consider not only performance as observed in the past, but also future performance needs.

The changes in the market scenario have necessitated the Indian industry to look inward for the development of human resources (HR). If the Indian organizations are to develop and maintain their competitive edge, the potential value of the employees needs to be increased by enhancing and linking their skills and capabilities in tune with the contemporary requirements of the market. Firms could develop strategic capability and, for attaining this, the strategic goal will be to create firms which are more intelligent and flexible than their competitors. The human resource management (HRM) function has emerged as one of the
most important areas of organizational practice. It has not been developed in isolation but rather in the context of industrial change and economic development. The uniqueness of HR requires a totally different type of attention from management. The HR function has the characteristics that provide the greatest challenge as well as the opportunity.

A company’s HR is fragile, relationships are delicate, contributions are unpredictable, and stability is uncertain. Youndt (2000) felt that since employees are free, within limits, to leave their firm, there is a significant risk of organizations incurring an intellectual capital loss unless individual knowledge is transferred, shared, transformed, and institutionalized. The crucial inputs to an organization include, among others, its human resources. People bring to their jobs diversity of skills, needs, goals, and expectations. Barney (1991) proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals. The employees are socialized into the organization first by way of recruitment and then through continuous functioning in the organization. According to Schuller (2000), “skills, knowledge, and competencies are the key factors in determining whether the organizations and nations will prosper.”

The interface between the individual and the organization is critical to full utilization of human resources. The individual and the organization establish a ‘psychological contract.’ The individual member expects to make contributions to the organization and receives certain rewards in return. The organization provides certain rewards and expects in return certain contributions from the individual. This interface can be effectively handled with the help of HR planning, work analysis, career development, leadership, job motivation, appraisal-reward process, and
a favourable organizational culture. As suggested by Spindler (1994), psychological contract creates emotions and attitudes which form and control behaviour. Sims (1994) felt that balanced psychological contract is necessary for a continuing, harmonious relationship between the employee and the organization. The idea that individuals are capable of development is founded on the conviction that people are important and their involvement is necessary for an organization to be effective. This conviction is translated into practice through a variety of programmes that facilitate individual development and lead to better adjustment with the environment. Thus, human resources are a company’s most valuable and strategic asset and the focused involvement of the top management with institutionalized leadership down the hierarchy is a prerequisite to attract and retain people. The patterns of work relationships at work reflect the HR philosophy.

The managers who are encouraged to follow the role model of their seniors perpetuate the philosophy and practices of HR. In the process of organizational socialization, they internalize the values and attitudes of their leaders. The entire process is thus institutionalized. Schein (1990) indicates that people identify with the visionary leaders — how they behave and what they expect. Enterprise vision and mission will not become a reality unless employees are involved and integrated with the company’s goals. HR provides the enabling work climate of the organization comprising of managerial values, attitudes, and styles.

With the ‘license system’ being replaced to a great extent by the ‘market system,’ the new economic environment is primarily marked by the freeing of shackles for entrepreneurship and economic growth. The challenge of human resource development (HRD) practices would be to create an environment of resilience which can successfully accommodate and assimilate changes in systems, structures,
technologies, methods, etc. The pressures of change are most likely to be felt by those who have to lead and manage the change process in such a volatile economic environment. HRD would have the ability to attract and retain people and is the key to manage this macro change—both in terms of pace and rate. The change leaders would be confronted with the need to reorient culture, thinking, and paradigms. The challenge is for the change agents to get individuals who would have a sense of belonging and commitment to the organization and who would welcome the impending changes. Hamel and Prahalad (1991) contend that a firm would achieve competitive advantage if it can obtain and develop human resources which would enable it to learn faster and apply its learning more effectively than its rivals. Managing in a turbulent environment is not easy and managers are constantly looking for new concepts, tools, and techniques to help them cope with the demand of accelerating change. There are 25 leading management tools and techniques and according to an annual survey, the average company used 11.8 of these tools in 1993, 12.7 in 1994, and 13 in 1997 (Micklethwait and Wooldridge, 1996; Rigby, 1998). Unfortunately, managers often find that the management tools that they adopt are not magic bullets. A study by Rigby (1998) found that 77 per cent of the executives reported that these tools promised more than they delivered. This finding is consistent with other accounts of implementation failure across the range of managerial innovations (e.g., reengineering, TQM) and technological innovations (e.g., flexible manufacturing technologies, enterprise resource planning systems) where failure rates are above 50 per cent. The result is that managerial innovations become management fads which are tried and then abandoned. These failures may be attributed to an organization’s HR practices and the underlying philosophy of management (Barley and Kunda, 1992).
HRD Systems
A system is a planned way of making things happens. A system helps in planning and offers predictability, discipline, and security. Spirit, norms, values, and rules are also important, but cannot substitute for a system. The purpose of any HRD system is to build the competencies and commitment of individuals, groups, and the organization. Each HRD system has its own objectives, inputs, processes, and outputs. Some common subsystems within HRD include: training; performance planning, analysis and review, development, counseling, and appraisals; rewards and recognition; career development and planning; appraisal and development of potential; job rotation; team-based activities; communications; organizational diagnosis and development interventions; and team building, role clarity and other mechanisms.

Principles of HRD System
1. HRD system should help the company to increase enabling capabilities which include: development of human resources in all aspects, organizational health, improvements in problem solving capabilities, diagnostic skills, capabilities to support all the other systems in the company, etc.
2. It should help individuals to recognize their potential and help them to contribute their best towards the various organizational roles they are expected to perform.
3. It should help maximize individual autonomy through increased responsibility.
4. It should facilitate decentralization through delegation and shared responsibility.
5. It should facilitate participative decision-making.
6. It should attempt to balance the current organizational culture with changing culture.
7. There should be a balance between differentiation and integration.
8. There should be a balance between specializations of the function with its diffusion into the others.
9. HRD system should ensure responsibility for the function.
10. It should build upon feedback and reinforcement mechanisms.
11. It should maintain a balance between quantification and qualitative decisions.
12. There should be a balance between external and internal help.
13. It should plan the evolution of the function.
14. There should be a continuous review and renewal of the function.

**Other HRD Frameworks Systems**
As HRD came to prominence in the last decade, other frameworks and models came into existence. Some of these are briefly reviewed here.

**The Strategic HR Framework Approach**
This framework formulated by Ulrich and Lake (1990) aims to leverage and/or align HR practices to build critical organizational capabilities that enable an organization to achieve its goals. This framework offers specific tools and paths to identify how a firm can leverage its HR practices. Business strategy, organizational capabilities, and HR practices are the three important elements in this framework.

**Ulrich (1997) presented a framework for HR professionals in terms of four key roles:**
- Management of strategic human resource.
- Management of firm infrastructure.
• Management of employee contribution.
• Management of transformation and change.
• The activities for managing strategic human resources include the following:
  • Aligning HR and business strategy: "organizational diagnosis."
  • Reengineering organization processes: "shared services."
  • Listening and responding to employees: "providing resources to employees."
  • Managing transformation and change: "ensuring capacity for change."

The activities for management of firm infrastructure include the following:
• Constant examination for improving the HR processes.
• HR professionals to become administrative experts to ferret out unnecessary costs, improve efficiency, and constantly find new ways to do things better; be effective as administrative experts and undertake activities leading to continual reengineering of the work processes they administer.
• HR professionals to design and deliver efficient HR processes for staffing, training, appraising, rewarding, promoting, and managing the flow of employees through the organization.

The activities for managing employee contribution include listening, responding, and finding ways to provide employees with resources that meet their changing demands. The activities for managing transformation and change include identifying and framing problems, building relationships of trust, solving problems, creating, and fulfilling action plans.
The Integrative Framework

The integrative framework offered by Yeung and Berman (1997) identifies three paths through which HR practices can contribute to business performance: (1) by building organizational capabilities; (2) by improving employee satisfaction; and (3) by shaping customer and shareholder satisfaction. Yeung and Berman (1997) argued for dynamic changes in HR measures to refocus the priorities and resources of the HR function. They argued that HR measures should be business-driven rather than HR-driven; impact-driven rather than activity-driven; forward looking and innovative rather than backward looking; and instead of focusing on individual HR practices should focus on the entire HR system, taking into account synergies existing among all HR practices.

Human Capital Appraisal Approach

This approach outlined by Friedman, James, and David (1998) of Arthur Andersen consulting company is based on the belief that there are five stages in the management of human capital: clarification stage, assessment stage, design stage, implementation stage, and monitoring stage. There are five areas of human capital management: recruitment, retention, and retirement; rewards and performance management; career development, succession planning, and training; organizational structure; and human capital enablers. A 5 X 5 matrix using these five stages and five areas could be used to evaluate and manage the human capital well. For example, in the clarification stage, the managers examine their human capital programmes to fit into their strategy and overall culture. They may also examine each of the areas to fit into the strategy.
HRD Score Card Approach
A recent approach formulated by Rao (1999) envisages that, in order to make the right business impact, HR interventions should be mature in terms of the HRD systems, competencies, culture (including styles), and business linkages. Through a well formulated HRD audit, the following are assessed:
- The maturity level and the appropriateness of each of the subsystems of HR, the appropriateness of the HR structures, and the level of competencies of HR staff, line managers, top management, etc.
- The HRD culture (defined in terms of openness, collaboration, trust, autonomy, pro action, authenticity, confrontation, and experimentation) and the congruence of the top management and HR staff styles with HRD culture, and the extent to which all the systems and practices result in employee satisfaction and customer satisfaction, etc.

P-CMM Approach
Curtis and his team (1995) developed this approach for software organizations. The People Capability Maturity Model (PCMM) aims at providing guidance on how to improve the ability of software organizations to attract, develop, motivate, organize, and retain the talent needed to steadily improve their software development capability.

The strategic Objectives of P-CMM are:
- Improving the capability of software organizations by increasing the capability of the workforce.
- Ensuring that the software development capability is an attribute of an organization rather than that of a few individuals.
- Aligning the motivation of individuals with that of the organization.
- Retaining human assets (i.e., people with critical knowledge and skills within the organization).
A fundamental premise of the maturity framework is that a practice cannot be improved if it cannot be repeated. In an organization's least mature state, systematic and repeated performance of practices is sporadic. The PCMM model describes an evolutionary improvement path from ad hoc, inconsistently performed practices to a continuously mature, disciplined, and continuously improving development of the knowledge, skills, and motivation of the workforce.

The P-CMM model is intended to help the software organizations to:

- Characterize the maturity of their workforce practices.
- Guide a programme of continuous workforce development.
- Set priorities for immediate actions. Integrate workforce development with process improvement.
- Establish a culture of software engineering excellence.

It is designed to guide software organizations in selecting immediate improvement actions based on the current maturity of their workforce practices. The P-CMM model includes practices such as work environment, communication, staffing, managing performance, training, compensation, competency development, career development, team building, and culture development. It is based on the assumption that organizations establish and improve their people management practices through the following five stages of maturity: initial, repeatable, defined, managed, and Optimizing. Each of the maturity levels comprises of several Key Process Areas (KPAs) that identify clusters of related workforce practices. When performed collectively, the practices of a key process area achieve a set of goals considered important for enhancing workforce capability. To quote Curtis, William, and Sally (1995): In maturing from the initial to the repeatable level, the
organization instills the discipline of performing basic practices for managing its workforce. In maturing to the defined level, these practices are tailored to enhance the particular knowledge, skills, and work methods that best support the organization's business. The core competencies of the organization are identified; workforce activities are aligned to the development of these competencies. In maturing to the managed level, the organization uses data to evaluate how effective its workforce practices are and to reduce variation in their execution. The organization quantitatively manages organizational growth in workforce capabilities, and when appropriate, establishes competency-based teams. In maturing to the optimizing level, the organization looks continuously for innovative ways to improve its overall talent. The organization is actively involved in applying and continuously improving methods for developing individual and organizational competence.

All these approaches share a lot in common with the following characteristics with relatively varying degree of emphasis on them:

- They are systems driven and emphasize HRD systems or subsystems or tools.
- They attempt to link HR practices with business goals.
- They recognize the importance of HR professionals and HRD.

The Integrated Systems Approach of Pareek and Rao envisaged a separate HRD department for effective designing and implementation of HRD systems. It envisaged strategy as a starting point (as in Ulrich and Lake, 1990), and, therefore, focused on all the systems to achieve business goals and employee satisfaction. It aimed at synergy (like in the Integrated Approach of Yeung and Herman), proposed the phased evolution of HRD function (like the PCMM approach) and included most of the elements of the Human Capital Approach. While each of the
latter models has brought to focus one or the other most neglected dimensions that could be good pointers for not getting the best out of HR, the essence is very similar to Pareek and Rao's approach. If the locally developed frameworks are not implemented well for reasons not associated with the framework but with lack of understanding and seriousness, it may be presumed that advanced frameworks are even more difficult to adopt and get results. It is with this view that an attempt is made to assess the current status of HRD structures and practices in the Indian industry.

**Structuring of HRD**

The above description of the HR function indicates that the HR departments in Indian organizations (including one multinational located in India and one Indian company located in another country) do not have well differentiated structures appropriate for HRD. They have well differentiated roles in personnel but not in HRD. When it comes to HRD, it seems that they structure the role in such a way that it is mixed up with other personnel functions. As the structures are mixed and convenience-based, the HRD activities also get mixed attention and are often convenience-based. As a result, various sub-systems of HRD do not get the attention they deserve. Our audits have indicated that even those designated as HRD managers are unable to devote full time to HRD as they are involved with other personnel functions and administrative activities.

In a recent encounter with a senior HR Manager of an IT company, he was told that there were over a hundred HR professionals working in that company and 25 of them were in the Visa section. This indicates the ease with which Indian corporations including the IT companies use the HRD term to cover all those involved in various forms of unrelated
HRD activities. Indian organizations have not yet reached the maturity level to differentiate the human capital multiplication function from conventional welfare and administration functions. If one has to follow the original structuring suggestions by Pareek and Rao, there should be separate functionaries available for handling performance appraisal, feedback and counseling, potential appraisal and development, OD, training, and career planning and development.

The HRD function is also inadequately represented. On an average, while there is one person to look after the personnel management needs of every 100 employees, there is less than one full time person to look after the HRD needs of every 1,000 employees. This can be considered as inadequate. The existing HRD personnel are also not well qualified in terms of learning methodology, human development, and such other technical skills required to handle the competency building, commitment building, and culture building functions of HRD.

It may be concluded that the HRD function in India is not appropriately structured though the world's first dedicated HRD department was started here. The structures do not follow the principles envisaged by Pareek and Rao and are not differentiated as outlined by them. Indian organizations seem to have played only lip sympathy to HRD. More than 50 per cent of the organizations do not even have a full-time, dedicated HRD facilitator. Even if there is one, he is loaded with recruitment, salary administration, and such other tasks, which are not development roles.

**Historical Review of Trends in HRD**

It was 25 years ago that our country witnessed the emergence of a new HRD culture in our country with Prof Udai Pareek and Prof T.V.Rao heading the movement. What 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), resulted in the development of a new function - The HRD Function.

In the early seventies, this company, in association with IIMA the reviewed all aspects of its operations. In 1974, the consultants studied the organization and prepared a new integrated system called Human Resource Development (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 counseling, 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.

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. Udai 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 to the establishment of HRD Departments in the State Bank Of India and its Associates, and Bharat Earth Movers Limited in Bangalore in 1976 and 1978. 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 part. As HRD started growing Larsen & Toubro 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 Larsen & Toubro. 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.
HRD Structures
At the organizational level, a specialized HRD function may exist to design, develop, implement, and monitor HR systems and ensure alignment of HR processes with the organization’s goals. The HRD function can take on many forms, depending on the needs, requirements, and resources of the specific organization. Examples of functional forms include a dedicated and fully manned HRD department; a corporate HRD department with HRD cells in individual units or locations; a high profile HRD chief with a limited staff; and so on.
Likewise, at the national level, the HRD function may take many different forms. HRD may be handled by a separate department or ministry; the Prime Minister; a specialized task force; or other groups or individuals.
Rao stresses several principles to keep in mind when structuring an HRD department:
1. Ensure that the structure is needs-based and business-driven.
2. Ensure that each of the HRD activities and subsytems adds value to the organization.
3. Ensure that HRD professionals have the necessary competencies to carry out HRD activities and monitor HRD processes.
4. Ensure that the HRD department is appropriately positioned within the organization.
5. Ensure that the HRD leader has the experience, power, positioning and competence to make the function effective and have an impact.
6. Define and clarify all the roles in the department

HRD Styles and Culture
The culture of an organization influences HRD practices and activities. A culture that enhances the success of HRD has the following
characteristics: openness; collaboration; trust; authenticity; pro-active tendencies; autonomy of the individual; confrontation; and experimentation (OCTOPACE). In most cases, only an enlightened top management can build this type of culture.

**Human Resource Development Plans**
The next article discusses HRD planning in general. Planning is a critical function for every individual, group and business. Whether we realize it or not, when we think, we plan. Planning means creating possibilities, evaluating alternatives, choosing one or keeping an open mind on the possibilities until the time comes to act. The mark of a professional is a deep awareness about planning, according to Sofo, and planning requires a great deal of skill and imagination. HRD plans include the design and construction of developmental activities that are essential to assisting people to achieve the organization’s goals. Planning strategies that help people do their jobs well are the most likely to improve those individuals’ capabilities, potential, influence and wealth.

Whatever our orientation in life, we all tend to focus on purpose. We plan our activities to deal with real life tasks and problems or for enjoyment. In many organizations, individuals play a more important role than ever. Individuals are expected to plan their own career and supporting learning strategies, provide feedback to others through 360-degree systems, and take on more responsibility for their own work and for the success of the organization. Planning will work more effectively when the organizational culture views planning as a normal part of work, and when there is a readiness or sense of some urgency to plan.
Strategic Planning
Sofo discusses two planning strategies for HRD, strategic planning and scenario planning. Strategic planning involves evaluating the performance of the organization, quantifying its achievements, defining its long-term goals, and developing strategies and allocating resources to meet its goals. Most strategic planning models involve, in some form, three main questions: 1) What are we achieving now? 2) Where do we want to go? 3) What is the best way to get there? Although it may appear linear, the strategic planning process is iterative. Indeed, planning and action should be a dialectical process.

Scenario Planning
Scenario planning is an art based on "the wisdom of experience." It is a way of envisioning alternative future environments in which the organization’s decisions might play out. The eight main steps to scenario planning are:
1. Identify focal issue or decision;
2. List key factors influencing success of the decision;
3. List driving forces in the macro environment;
4. Rank driving forces in the macro environment;
5. Select scenario logic for the plots;
6. Create 3 scenarios, narratives;
7. Rehearse the future, look for implications;
8. Select the leading indicators/signposts.
The scenario approach helps individuals and organizations to think in new ways and to reframe their ideas and assumptions.
Formulating HRD Strategy and Action Plans

A "user-friendly" six-step process is suggested as a way to formulate strategy and action planning in HRD, as follows:

1. Brainstorm practical alternatives,
2. List barriers to achieving the alternatives,
3. Develop and solicit proposals,
4. Identify critical actions,
5. Design a detailed, 6-12 monthly work plan,
6. Implement and evaluate work plans.

Implementation of the plan may fail if the plan formulation is inadequate and/or people ignore the work plans. "Planning is a process of re-creating and co-creating vision."

Essential Elements of Planning

Planning can be seen as a science because it is orderly, analytical, participative and involves inquiry. Learning is a significant element of HRD planning as well. Like learning, planning involves reasoning, imagining, and predicting, and it allows us to detect and correct our actions. Planning and learning both can be intentional and unintentional and are processes where people act on their environment and where the environment acts on people. Effective planning includes experience, reflection upon the experience, the plan or insight gained, and the actions to achieve desired outcomes. When we view planning as involving both reflection and action, it emerges as an essential and complex learning process.

HRD plans need to be strategically focused, based on the mission and goals of the organization, supported by accurate data as well as the needs and aspirations of the staff.
Main stages of HRD Planning

Ideally, strategic HRD plans should take place at three levels: the strategic, tactical and operational levels of the organization. The main stages of strategic HRD planning include:

1. Identify organizational strategies, problems and developments at all possible organizational levels.
2. Examine these in relation to possible HRD implications.
3. Make strategic choices about the way in which strategies, problems, and developments can be supported by HRD programs or other formal or informal learning interventions.

Aspects of Strategic HRD Planning

Wognum suggests that strategic planning can be characterized by four aspects of strategic HRD planning:

1. Participation
2. Information
3. Formalization
4. Decision-making

By paying attention to these four aspects, the HRD planning process should lead to strategically aligned and effective HRD programs and activities that will provide employees with the competencies they need to contribute to the achievement of organizational goals.

Wognum includes a model, which illustrates that strategic HRD planning is not top-down or bottom-up. Instead, strategic decisions made at one level are inputs for strategic planning at both higher and lower organizational levels. Vertical cooperation among managers and employees in their respective organizational levels is critical to developing an integrated, coherent strategic HRD plan. Horizontal cooperation between HRD representatives and managers and employees
at all company levels is also necessary to align HRD policy and organizational policy and strategy.

**Statement of the Problem**
The HRD literature recognizes Weinberger (1998) for the HRD definitions of US perspectives, Rouna (2000) for her study about HRD definitions from the perspectives of ten active HRD scholars, and McLean and McLean (2001) for their study about HRD definitions of the non-US scholars such as those from China, Taiwan, Cote d’Ivoire, France, Germany, India, Japan, Korea, the Netherlands, Singapore, Thailand, and the UK. These studies, however, are limited typically to HRD academic scholars and many countries in the world such as India are not included. Little is known about an international HRD study focusing on practitioners’ perspectives in corporate setting. This study aims at thoroughly go through the H.R. aspects of selection, retention and re-training of H.R resources in engineering and technology of Maharashtra state.

**Significance of the Study**
The purpose of this study was to explore HRM practices in Industrial area of Maharashtra State particularly in their recruitment and selection Division, by focusing on the issues pertinent to how HRM practitioners view or define HRM and what factors or issues they consider critical for HRM in the companies.

**OBJECTIVES OF THE STUDY**
1. To assess the current status of employment in the field of Engineering and technology enabled services in Maharashtra State.
2. To study the procedure of selection of such manpower in Maharashtra State and to compare it with procedure of selection of other employees.
3. To study the strategies followed by the industries to retain such skilled professionals.
4. To evaluate the requirements of re-training of these employees and to study the strategies followed for re-training.
5. To assess the current status of satisfaction of these employees. And to suggest suitable guidelines to the policy makers for the better selection, Retention and Retraining of professional in the field of Engineering and technology industrial units.

LIMITATIONS OF THE STUDY
1. This study has included Industries specialized in Engineering and technology. The reliability of the study depends on the authenticity of the information supplied by the respondents.

2. As the study requires huge data requirement from all over the Maharashtra State, cost and time constraints may have affected on the effectiveness of the study though every attempt was made to keep the spirit of the objectives and research methodology.

Research Methodology:
In order to achieve the above objectives, both the types of data i.e. Primary and Secondary were used.

1. Primary Data:
As far as primary data is concerned 10% (105) and 500 engineers of Medium and Large scale industries from Maharashtra State was selected by the help of purpose sampling method for the purpose study.
The primary data was collected with the help of a structured questionnaire, a pilot survey was conducted and with the help of that a structured questionnaire was prepared for the collection of the data.

2. Secondary Data:

Secondary data was collected from various sources like Govt. publications, Govt. Trade unions, Industrial Associations, Chamber of Commerce, Trade Journals, Record of Industrial units and research studies, different published reports, books from libraries and concerned websites.

SCOPE OF THE STUDY

Temporal Scope

For the purpose of data collection and study, mainly the duration of 2002 to 2012 was considered. Wherever necessary reference was made to the previous circumstances.

Geographical Scope

The proposed study was confined to Maharashtra State only. However every attempt was made to generalize the findings wherever situation permits.

Functional Scope

The purpose of the study was to go into the depth of strategies followed by leading Organizations to Select Retain and retrain appropriately skilled professional in the field of Engineering and technology and to obtain a guideline for the future by accurately analyzing the data on the past and present situation of the industrial trends.
HYPOTHESES TESTED

1. Human resources are the efforts, skills and capabilities that people contribute to an employing organization which enable it to continue in existence. In today's competitive and global market place human resource is vital to secure competitive advantage.

2. Recruitment, Selection, Retention and Retraining are the Human Resource activities that direct strategies to process and pursue a course of action that helps the Organization to achieve its objective realization.

3. Human Resource Management of Engineering and technology is more strategic than the other employees.

Sample Size

Table No.1.7

District wise classification of Micro, Small, Medium & Large Scale Enterprises in Maharashtra State. (December 2014)

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Districts</th>
<th>Category</th>
<th>No. of Enterprises</th>
<th>Employment</th>
<th>Investment</th>
<th>Production Capacity</th>
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<tr>
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<td>Aurangabad</td>
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<td>35008</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>Large Scale</td>
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<td>3832</td>
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<td>0.00</td>
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<td>02</td>
<td>Jalna</td>
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<td>6299</td>
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<td>52443.72</td>
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<td>Large Scale</td>
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<tr>
<td>03</td>
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<td>17209</td>
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<td>Large Scale</td>
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<td>05</td>
<td>Parbhani</td>
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<td>06</td>
<td>Hingoli</td>
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<td>1947</td>
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<td>07</td>
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<td>662763.7</td>
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</tbody>
</table>

**Source:** Joint Director of Industry, Govt. of Maharashtra State, Aurangabad (2015).

**Methodology Adopted for selecting the sample**

Total eight district from Maharashtra State has been selected for the purpose of the study. The total of large and medium scale units in these districts are 11501. Due to time and cost constraint it not possible to take all 11501 industries, hence by random sampling method 1% i.e 115 of the industries and 1000 engineers were selected for the study purpose by the help of purposive sampling method.
Tools and Techniques to be used
Tables, pie charts, histograms and structures was used in explanations to bring out the point more clearly. Therefore with this in mind, while presenting arguments in theory, diagrammatic; structural, graphic representation was sort. On some necessary cases exhibits were given to draw a conclusion, calculation of percentages, ranks and means for comparison and variable measurement, chi-square was used.

CHAPTER SCHEME
The entire study was summarized as following in seven chapters-
1) Introduction
The chapter first deals with the introduction. It gives the detailed information about the significance of the study, objectives of the study, hypothesis tested, research methodology with collection of data and the presentation of the study.

2) Review of Literature
This chapter deals with the overall review of the literature available on the particular topic. Literature is the most important part of any research. In this topic, the review is taken of articles and books regarding the research topic. This chapter is divided into two parts i.e. Review of Research Articles, Review of Books, thesis and other related published or unpublished literature on this particular topic.

3) Socio-Economic Development of Marathwada region in Maharashtra state
The third chapter highlights on the basic premise of research by taking an overview of the area of study. Geo-economic, topographical context is also presented in brief. The chapter gives the district wise socio-
economic development of Marathwada region like classification of main and marginal worker, progress of small saving programme, life insurance business, employment in different sector, the chapter also highlights the investment and employment in approved SEZ in Maharashtra state, status of co-operative industrial estates, MIDC at a glance, the chapter also gives the details of the financial service in Marathwada region like the banking service and also the mutual fund industry at glance in Marathwada region.

4) Recruitment, Selection, Retention and Retraining of Professionals in the Field of Engineering and technology in Maharashtra State
The fourth chapter highlights on the Recruitment, Selection, Retention and Retraining of Professionals in the Field of Engineering and technology in India, it gives the detail of the recruitment process, Selection as a source for competitive advantage, Training and development of employees, Components of remuneration, Retention Strategies, training and development in India and Objective Methods Evaluation.

5) Data Collection and Analysis.
This chapter aims at analyzing the data collected like the Methodology and respondents profile, the nature of Human Resource Development, the structure of Training and development programme. The chapter also gives the details about the Methods of Training Programme at a glance in selected industries, the chapter also highlights on the Criteria for performance appraisal in the selected Industries.
6) **Summary, Conclusions and Suggestions**

This Chapter highlights on the overall summary of the study, important conclusions drawn by the researchers and important suggestions made by the researchers regarding to this study.

**Concluding Remark:-**

HRM does not exist in isolation; rather it is part of a much broader context that must be considered in order to understand the complexity and variability of HRM across organizations. At the global level, HRM, with its ability to adopt both a production-oriented and a people-oriented role, is faced with the need to play a leadership role in critical economic and social problems. Thus, in a general sense, HRMs role is both economic and social. The development of human resources is fundamental to improving economic productivity and quality of life.

**References:-**


3) **Encyclopedia Britannica.** “Personnel administration is also frequently called personnel management, industrial relations, and employee relations”


