CHAPTER-2
HUMAN RESOURCE DEVELOPMENT: THEORETICAL AND EMPIRICAL REFLECTIONS

2.1 Introduction

In this study an attempt has been made to review a few relevant theories of human resource development in the context of corporate management. The chapter has been organized in three parts. In Part-I there is discussion on the importance of human resource development in corporate management. In Part-II, against this background, an attempt is made to highlight the role of behavioural aspects, their determinants and impact with theoretical suffix. And in Part III there is a discussion on spiritual aspects, their role in determining the behaviour and incidentally human resource development. This would be followed by implications and imperatives.

The role of human resource today is varied, from the range of activities as administrative base through leadership to a range of activities in the organization. Organization can develop and change in a world that itself is changing more rapidly and more radically than ever before. In this context human resource plays a role of catalyst for organizational change.

2.2 Human Resource Development And Corporate Management

In this section a few relevant studies on theories of human development have been reviewed.

Theories of human development

Human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers’ future income by increasing their lifetime earnings.\(^1\) Becker (1964)

While Becker (1964) further suggests that education or training raise the productivity of workers by imparting useful knowledge and skills, others provide different explanations for how education is related to worker productivity. One is based on the argument that the higher earnings of educated workers simply reflect their superior ability acquired during the process of education, rather than through skills and knowledge.2

Schultz (1975) suggests that education enhance an individual’s ability to successfully deal with disequilibria in changing economic conditions. Such ability includes that of perceiving a given disequilibrium, analyzing information, and reallocating resources to act.3

Levin (1987) argues that the organization of production, such as the extent of discretion, participation in decision-making, responsibility sharing, and information available to employees, all affect employees’ utilization of their ability to act.4

Levin and Kelley (1994) suggest that education can improve productivity only if complementary inputs exit, which include training, contract terms, and management practices; they point out that economists and other social scientists have overestimated the payoffs resulted from increased formal education while they have ignored the complementary inputs and conditions.5

Recently, Hall and Jones (1999) maintain that differences in capital accumulation, productivity, and therefore output per worker are fundamentally

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related to differences in social infrastructure across countries. Such social infrastructure includes the institutions and government policies that determine the economic environment, within which individuals accumulate skills and firms accumulate capital and produce output. Lack of these conditions would cause loss in production.\(^6\)

**Endogenous growth models**

There is no doubt that organizations will continue to face and manage tremendous change and uncertainty and this prospect has fuelled the human resources strategy debate. Most of the change factors are well known and have been articulated on many occasions:

- Globalization of markets
- Technological
- Legal
- Regulatory
- Mergers and acquisitions
- Demographic
- Social and organization structural changes

According to Mark A (1996), All of these issues have fundamental consequences for the management of the human resources function within the organization. Yet, one wonders how many human resource functions are actively monitoring or responding to them.\(^7\)

Consider that human resources are able to be strategic resources. Following Hall's (1993) topology, human resources may generate functional and cultural capabilities due to experience, abilities, values, integration in the company, and so forth. These capabilities are sources for a competitive

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\(^7\) Mark A.: *What is a human resources strategy?*, ThomasHealth Manpower Management Volume 22 · Number 2 · 1996 · pp. 4–11, © MCB University Press · ISSN 0955-2065
advantage. So, the resource-based theory suggests that human resources may create or sustain a competitive advantage through competency development.

The endogenous growth model developed by Romer (1986) and Lucas (1988) has focused on the role of human capital from the outset as a main source of increasing returns and divergence in growth rates between developed and underdeveloped countries.\textsuperscript{8} The model has been refined and extended further by Romer (1990) himself,\textsuperscript{9} Rebelo (1991),\textsuperscript{10} and Stokey (1991).\textsuperscript{11}

Corporate Management plays an important role in an organization; the diversified functions have broadened the scope to engulf vast area of management. The efficiency and effectiveness of corporate management mainly depends on its human resources. The integrated development of the corporate management and human resources stabilizes and sustains the growth and development of the organization. In the modern economy human resource development plays a dominant role for dynamism in corporate governance.

Business is a necessary and inevitable economic activity. Business has always existed since the dawn of human civilization in one or the other form. In order to do business, some formalized form as a means of carrying out business is made. In the earlier period it was carried out on individual basis, but gradually with time it took formal and organized structure and it then came to be known as ‘Organization’. Organization is an artificial entity in which people

could cooperate and aim at realizing both individual and collective objectives.\textsuperscript{12} Tapomoy Deb (2006)

Human resource development is the basic foundation for the development of an organization; economic theory accords center stage to human resource development.

Enormous efforts are made in the recent past to develop human resource mainly for corporate management. As of now with the modern trends of globalization, multi dimensional strategies for human resource development are being devised and implemented.

As stated by Tapomoy (2006) the greatest resources of the world are the humans, without whom nothing could ever be a resource! Of what value, for instance, would gold or silver or other natural endowments be if there were no men? The Homo sapiens is, indeed, the resource of all resources. The human potential and the need for conscious attempts to develop it are more readily acknowledged today than ever before in many parts of the world. Efforts are afoot today to devise and implement methods of developing human resources. Human resource development has provided the purpose and direction for continued growth of the field: organized learning provides the possibility of performance change.\textsuperscript{13}

Further it is identified as the core discipline from which a field of study could develop. According to UNDP (2005), Human development is about freedom. It is about building human capabilities- the range of things that people can do, and what they can be. Individual freedom and rights matter a great deal, but people are restricted in what they can do with that freedom if they are poor, ill, illiterate, discriminated against, threatened by violent conflict or denied a

\textsuperscript{12} Tapomoy Deb : \textit{HRD theory and practice}, Published by Ane books India 2006, Pg.60,61
\textsuperscript{13} Tapomoy Deb : \textit{HRD theory and practice}, Published by Ane books India 2006, Pg.60,61
political voice. That is why the “larger freedom” proclaimed in the UN charter is at the heart of human development.\textsuperscript{14}

Human resource development is the process of ensuring that the skills, knowledge, abilities and performance of the work force meet current and future organizational and individual needs through developing, implementing, evaluating activities and programmes addressing employee training and development, change and performance management and the unique needs of particular employee groups.\textsuperscript{15} Tapomoy Deb (2006)

The various studies in the past have proved that, human resource is like the nucleus of corporate management. So it is important that emphasis has to be given for professionalism and specialization in the field of human resources.

Professionalism and specialization in human resource field has brought about flexibility and dynamism in corporate management. Human resource department played a limited role in the past, due to which only some basic functions were performed by human resource departments. With the effect of globalization, human resource is contributing maximum for corporate growth and development. Human resource is the driving force of the progress of the organization, thus corporate management focuses on empowerment of human resource development.

The goal of human resource development is to improve the performance in an organization by maximizing the efficiency and productivity of human resources.

Thus corporate management is closely embedded by human resource principles which lead to healthy and rapid growth. The condition created

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\textsuperscript{14} UNDP 2005, The state of Human development, Kevin Watkins–2005 Oxford University Press Pg. 18
\textsuperscript{15} Tapomoy Deb : \textbf{HRD theory and practice}, Published by Ane books India 2006, Pg.60,61
\end{flushleft}
reflects the progress and development of the organization. Even though human resource is the soul of corporate sector, sufficient refinement of human resource through research and development makes it competent enough to support the smooth and effective performance of the corporate management. Human resource is the sole concept which supports organizations to achieve their goals.

Human resource development can play a major role in creating and sustaining capabilities, thereby enhancing the competitiveness of the company. However, adopting a capability-driven approach to human resource development is not only a concern of those who are responsible for managing human resource development, but requires appropriate forms of management, starting from the formulation of business strategy.\textsuperscript{16} Mikko Luoma (2000)

Human resource development is an evolving concept of corporate management, Human resource has replaced personnel department, which had existed in earlier days. Personnel department functions were limited to recruitments, remunerations, evaluation, benefits etc. All these functions were primary level of managing human resources. The goal of Human resource development is to improve the performance of organizations by maximizing their productivity and efficiency. Due to this, these days Human resource development Department’s responsibilities have increased to develop knowledge and skills, actions and standards, motivations, incentives, attitudes and work environment. Combining all these strategies, human resource has to achieve organizational goals. According to Pattanayak (2003), Organizational strategy is basically concerned with creation of missions and the setting of organizational objectives. Specific policies are then formulated and implemented to achieve those objectives, including policies, procedures, methods and programmes relating to the organization’s human resources.

\textsuperscript{16} Mikko Luoma: Developing people for business success: capability–driven HRD in practice, MCB University Press, 2000, pp. 152
Those policies and practices would be linked to business objectives and corporate strategy\textsuperscript{17} (Pfeiffer 1998), with human resource development having a key role in ensuring strategic alignment of training and development, career development and cultural change to the overall performance improvement of the organization.\textsuperscript{18} Pattanayak (2003)\textsuperscript{19}

The evolution of corporate management in India can be examined against the back-drop of development of company law and growth of companies, especially after 1850. Prior to the said year, companies operating in India were not, technically speaking, Indian companies as they were either registered in, or were authorised to carry on business under charters issued in other countries.\textsuperscript{20} S.K. Tuteja (1992)

Corporate are in transition due to the changes that are taking place in the current dynamic economy. With the increased competitive spirit, challenges, being champions or survivals have become prime task of corporate in the 21\textsuperscript{st} century. As for corporate leadership goes, with the trained, qualified and specialized managers with the complicated issues are making management of the corporate simple and easy with their managerial talents. The merger of multinational companies with Indian organizations altered the range of functioning to dynamic, flexible, competitive and sustained effort to maintain qualitative and quantitative improvements in the organizations.

Refinement of human resources have supported towards the evolution of corporate management to attain higher potentiality in the performance of corporate to keep phase with global transition of economies.

\textsuperscript{17} B. Pattanayak: HRDI 6:3, September 2003, Taylore & Francis Limited; pp. 405
\textsuperscript{19} B. Pattanayak: HRDI 6:3, September 2003, Taylore & Francis Limited; pp. 405
\textsuperscript{20} S.K. Tuteja: Corporate management structure in India, Deep and Deep publications, 1992, New Delhi
Basic relativity of Human Resource Development and Corporate Management

<table>
<thead>
<tr>
<th>Human Resource Development</th>
<th>Corporate Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource is the basic input required for corporate governance</td>
<td>Corporate management is able to fulfill its objectives with the support of human resource</td>
</tr>
<tr>
<td>Dynamism in Human resource development is the medium through which corporate progress is attained</td>
<td>Sustenance and progress of corporate sector is inevitable without human resource dynamism</td>
</tr>
<tr>
<td>Efficiency and effectiveness of Human resource reflects the outcome of the corporate management</td>
<td>Corporate management prefers the trained, professionals and specialized Human resource for achievement of planned objectives.</td>
</tr>
<tr>
<td>Quality of Human resource is dependent on values and morals incorporated in training people</td>
<td>Input of ethics in Corporate management is attained through qualitative human resources.</td>
</tr>
<tr>
<td>Modernization and globalization are the part and parcel of human resource development that support multinational outlook for corporate management.</td>
<td>Present success of corporate management relies on augmenting the competency, ability of human resource performance to international standards</td>
</tr>
</tbody>
</table>

2.3 Evolution of Human Resource Development in India

Human resource development processes did, in fact exist in Indian industry long before the early seventies. Thus many Indian organizations especially public sector enterprises had begun systematic training and development activities for their employees in the 1950s and 1960s.\textsuperscript{21} (A.K. Sen Guptha( 2004)

Rao and Pereira (1986) have argued that, even though human resource development processes may have existed in the country earlier, a professional outlook to human resource development started only in the early seventies.\(^{22}\)

In India human resource development, interventions were introduced in Larsen and Turbo in 1975. We have traversed a period of 36 years and during this period, in Indian organizations the importance of human resource development has been comprehensively felt and various processes and instruments of human resource development are being applied in different organizations in the manufacturing, financial and service sector.\(^{23}\) Tapomoy (2006)

Further to it the developments which were considered to be enhancing human resource development were limited to construction of dams, construction of factories. These were mere superficial level of human capital formation. Later part of the development was more of asset creation via employment generation for human resource development.

Today human resource development has invaded vast areas of functions for the wellbeing and welfare. While performing these functions several welfare oriented programmes such as child welfare, women welfare, and family welfare have been developed.

According to Thurow(1996), the past two centuries the economic theory of comparative advantage directed companies to locate new business ventures in the world where natural resources and labour forces were abundant. Today and for the next century, however, the comparative advantage rests with the


\(^{23}\) Tapomoy Deb : HRD theory and practice, Published by Ane books India, 2006
knowledge and skills of the work force. In fact,\textsuperscript{24} Thurow (1996) asserts that the successful companies in the next centuries will be those who can create, organize and capitalize on the brain power of the global work force.\textsuperscript{25}

The term human resource development has gained wide currency in India especially since the early 1980s. In fact, contrary to the trend elsewhere, the buzz word in people management in India is human resource development and not human resource management\textsuperscript{26} Saini (2000). Nadler (1979) made a distinction between human resource utilization and Human resource development. Under the former, he included the traditional functions of Personnel Administration while under the latter he included mainly training, education and development and the focus of each of which was different.\textsuperscript{27}

Thus in the case of training, learning is related to the present job; in the case of education, it is to prepare the individual for a different but identifiable job and for the growth of an individual, and is not related to a specific present or future job.\textsuperscript{28} A.K. Sen Guptha (2004)

With the new initiatives human resource development in India anchor points are introduced. The style of working has been modified providing greater measure of flexibility, freedom and responsibility at different levels of human resource hierarchy. Yet another aspect that has been included is the philosophy of individual growth. Human resource development initiatives have integrated the appraisal, promotions and extra benefits on the basis of quality performance. Employees are provided with the liberty to select the area of work which they enjoyed most. With such support today human resource is an

\textsuperscript{27} Nadler, L.: \textit{Developing Human Resources} (2nd ed.), Austin, Learning Concepts.., 1979
asset of an organization. Corporate provides all kind of support for mental, moral, emotional, social, physical and psychological wellbeing to yield quality outcome of human resources. Thus human resources are positioned with the centre stage in corporate functioning. Corporate capability is measured by the competencies of people working in it.

The most basic capabilities for human development are leading a long and healthy life, being educated and having adequate resources for a decent living. Other capabilities include social and political participation in society. Looking back over the past decade the long-run trend towards progress in human development has continued. On an average, people born in a developing country today can anticipate being wealthier, healthier, and better educated than their parents’ generation. They are also more likely to live in a multi party democracy and less likely to be affected by conflict.29 UNDP (2005)

Human welfare measures have paid to the organizational development and also for the healthy and sustainable growth. Organization supports human resource for welfare and wellbeing measures, reciprocal approaches were human resource supports organizations for their evolution.

2.4 Components of Human Resource Development

Human resource development is a comprehensive process involving many things. Therefore to measure and explain the same an index has been constructed by UNDP.

Each year since 1990 the Human Development Report has published the Human Development Index (HDI) which was introduced as an alternative to conventional measures of national development, such as level of income and the rate of economic growth. The HDI represents a push for a broader definition of well-being and provides a composite measure of three basic

29 UNDP 2005, The state of Human development, Kevin Watkins-2005 Oxford University Press, Pg.18
dimensions of human development: health, education and income. India's HDI is 0.547, which gives the country a rank of 134 out of 187 countries with comparable data. The HDI trends tell an important story both at the national and regional level and highlight the very large gaps in well-being and life chances that continue to divide our interconnected world.\textsuperscript{30} UNDP (2011)

Modern perception of development differs from the conventional approaches to economic growth, as it includes human capital formation, human resource development, human welfare or basic human needs. It is necessary to delineate these differences clearly to avoid any confusion. GNP growth is treated here as a necessary but not sufficient condition for human development. The key indicators of human resource development are longevity – life expectancy at birth, literacy and purchasing power. The importance of life expectancy lies in the common belief that a long life is valuable in itself and in the fact that various indirect benefits are closely associated with higher life expectancy. For the second key component – knowledge – literacy figures are only crude reflection of access to education. The third key component of human development is command over resources needed for a decent living.\textsuperscript{31} UNDP (1990)

According to the latest Human Development Report the indicator value notes for India are as follows.

**Indicators Value Notes**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure on health, public (% of GDP)</td>
<td>1.1</td>
</tr>
<tr>
<td>Under-five mortality rate (per 1,000 live births)</td>
<td>66</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>65.4</td>
</tr>
<tr>
<td>Health index (life expectancy)</td>
<td>0.717</td>
</tr>
</tbody>
</table>

\textsuperscript{30} UNDP 2011

\textsuperscript{31} Human Development Report, UNDP (1990) Oxford University Press, N.Y.
Indicators Value Notes

Public expenditure on education (% of GDP) 3.1
Expected years of schooling (of children under 7) (years) 10.3
1 Adult literacy rate, both sexes (% aged 15 and above) 62.8
Mean years of schooling (of adults over 25) (years) 4.4
2 Education index (expected and mean years of schooling) 0.450
Combined gross enrolment in education (both sexes) (%) 62.6

Indicators Value Notes

GDP per capita in PPP terms (constant 2005 international $) 2,993
GNI per capita in PPP terms (constant 2005 international $) 3,468
Income index (GNI per capita) 0.508
UNDP (2011)\(^{32}\)

In the following paragraph there is a discussion on the constituents of human resource development.

Family welfare - A challenge for human development is to find the incentives and rewards that ensure the supply of services – from the family, the community, the state and the market.\(^{33}\) UNDP (1999)

All these support systems are utilized for developing family welfare programmes in various contexts of five year plans in India. There are certain basic objectives of five year plan such as quality of life, supports this cause. These welfare measures from the state or from the corporate supports the human resource development.

Child Welfare - In a globally competitive labour market, how can we preserve time to care or ourselves and our families, neighbours and friends?

\(^{32}\) UNDP -2011
\(^{33}\) UNDP The invisible heart – care and the global economy, Human development report 1999
The difference that care makes for child health and survival is also well documented. The UNICEF analysis identifies caring as the third underlying factor in preventing child malnutrition, after household food security and access to water, health care and sanitation facilities.\(^\text{34}\) (UNDP (1999))

The millennium development goals with a target date of 2015 – Goal 2 - Achieve universal primary education. Ensuring that all children are able to complete primary education. Goal 4 – Reduce child mortality. Reducing the under-5 death rate by 2-thirds.\(^\text{35}\) UNDP (2005)

In the developed and developing economies, there has been special emphasis on the improvement in human resource development. UNDP (2005) report states that the human development index (HDI) is a composite indicator. It covers three dimensions of human welfare: income, education and health. Its purpose is not to give a complete picture of human development but to provide a measure that goes beyond income. The human development index is a barometer for changes in human well-being and for comparing progress in different regions.\(^\text{36}\) UNDP (2005)

Women Welfare -Women’s increased participation in the labour force and shifts in the economic structure are transforming the ways care services are provided. Needs once provided almost exclusively by unpaid family labour are now being purchased from the market or provided by the state. Both individuals and institutions have been free-riding on the caring labour that mainly women provide. Whether women will continue to provide such labour without fair remuneration is another matter.\(^\text{37}\) UNDP (1999)

\(^\text{34}\) UNDP  The invisible heart – care and the global economy , Human Development Report 1999  

Human resource development in India is concerned not only with the development of different competencies but also of conditions so that people feel motivated and committed to learn these competencies, and apply the same for their own benefit and for that of others\(^ {39}\) (Rao, 1996)

Micro approach and macro approaches are being followed for Human resource development in India. Micro approach is more confined to income and assets where as education, health and human capital formation comes under the purview of macro approach.

As stated by\(^ {40}\) Tapomoy(2006) Macro perspective is concerned with the behaviour of organizations. Organizational behavior is a function of the person and the environment. The purpose of organization theory is to apply such knowledge to the behaviour of individuals, productivity, performance etc. All these can improve an organization’s effectiveness and usher in excellence. Human resource development, beyond its effect on individuals and organizations, also carries with it the potential for economic growth.

Modern paradigms of development differ from the conventional approaches as they focus on human capital formation, human resource development, human welfare and human security. GNP growth is treated here as a necessary but not sufficient condition for human development. Human

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\(^{40}\) Tapomoy Deb : *HRD theory and practice*, Published by Ane books India, 2006
progress may be lacking in some societies despite rapid GNP growth or high per capita income levels unless some additional steps are taken. UNDP (1990) It means that there is no linear relationship between GNP growth and human development.\textsuperscript{41}

In Indian context human development has been incorporated in the mainstream of economic development along with other developmental programmes. In all these developments public and private sectors are striving to transform the Human resource into productive resource. Investment on human capital formation has increased the effectiveness of human resources over past two decades. Developed economies due to high potentiality of human resources are eligible and capable enough to utilize the resources optimally.

The liberalization, privatization and globalization of the Indian economy started in the early 1990’s and picked up pace in the second half of the decade. Indian organizations therefore faced new pressures to improve performance, and this has increased the need for the strategic alignment of human resource development activities with business strategy.\textsuperscript{42}B. Pattanayak (2003)

Globalization, a dominant force in the 20\textsuperscript{th} century’s last decade, is shaping a new era of interaction among nations, economies and people. It is increasing the contacts between people across national boundaries in economy, in technology, in culture and governance.\textsuperscript{43} UNDP (1999)

Human resource is considered as one of the factors responsible for overall progress and development of the private sector. Qualitative developments are achieved by incorporating essential principles to enhance the quality of human resources. World order is changing as human resource takes a

\textsuperscript{41} UNDP (1990), Pg.11 NewYork, Oxford University
\textsuperscript{42} B. Pattanayak, HRDI 6:3 (September 2003) Taylore & Francis Limited ; pp. 405
\textsuperscript{43} UNDP 1999, Oxford University Press, Human Development Report, Human development in this globalization.
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turn in its evolution. Today it is common to find human resource departments in the multinational companies, leading industries and enterprises.

Research and development are part and parcel of human resource departments, more and more new methods and means are adopted with an objective of empowerment of human resources and training them for successful results. Human resource with participatory approach in the management has enhanced qualitative and quantitative output; organizational management has improved with this approach where people participated in the main stream of the corporate management.

To a larger extent freedom provides open mindedness for human thinking; as a result people exhibit their talents, knowledge and ability. These traits of human resource creates harmonious atmosphere in an organizational environment. Human wellbeing promotes the self motivation and activates innovative and creative ability of the human resource in corporate management.

According to Human Development Report (2010), human development is the expansion of people’s freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet. People are both the beneficiaries and the drivers of human development, as individuals and in groups.44

Human development has three components:

- Well-being: expanding people’s real freedoms—so that people can flourish.

• Empowerment and agency: enabling people and groups to act—to drive valuable outcomes.
• Justice: expanding equity, sustaining outcomes over time and respecting human rights and other goals of society.

Entering the post cold war and the age of globalization, the world has become knowledge represented in Research and Development and the continuous creation of new knowledge have brought about renovation and invention and continue to contribute to the progress of the humankind. The speed of progress at the present is much more rapid than it was in the past. In that sense we are now in an age which demands much higher levels of knowledge.

According to Kazumi (2010), after the September 11 incident, the concept of human security has been spotlighted because of threats from terror, poverty, global warming, infectious diseases and so forth. The basic idea is to protect human beings from every kind of threat. Based on this premise, we must search for a better life for human beings. This is a very far way, but we must proceed one step further.45

Due to globalization, organizations have opened their doors for universal approach for training their human resources. This act has broken all barriers within the boundaries of nation such as caste, creed, religion, sex, class & culture. With these transformations, organizations are in a capacity to develop orderly organized and systematic approach for the welfare of employees.

Human resource development and corporate management are well knit in the era of globalization. Corporate management is dynamic and emerging as

a major area in the developed and developing economies. Due to the dynamism in the human resource development, corporate management is also transcending and transforming according to the present day requirements. Empowerment of human resource is a significant and important criterion for the progress and evolution of corporate management. More and more attention is being given to empower the human resources with training, professionalism and external support with a welfare approach for all round development of labour force in an economy.

Recent development experience is thus a powerful reminder that the expansion of output and wealth is only a means. The end of development must be human well-being. How to relate the means to the ultimate end should once again become the central focus of development analysis and planning.

The emphasis of human resource development in India is also on developing an organizational culture or climate that would facilitate and sustain the process of development of employee competence and commitment. Such a culture is characterized by the values of openness, confrontation, trust, authenticity, pro activity, autonomy, collaboration and experimentation.\textsuperscript{46} Pareek and Rao (1992), Rao (1996).\textsuperscript{47}

The term human development here denotes both the process of widening people’s choices and the level of their achieved well-being. It also helps to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their acquired capabilities for work or leisure.\textsuperscript{48} UNDP (1990)

\textsuperscript{48} UNDP (1990) ; Pg.10 New York, Oxford University
Over the years corporate management has changed according to the needs and requirements of the economic environment prevalent in the country. The management principles were more of human based rather than administration centered functioning. In the tertiary sector organizational managements are dealing with human resource, while doing so the role of these organizations is human centered with an objective of effective management.

For human resource development it is essential to have sufficient resources in the economy. These resources have to be well utilized for the all round development and well being of people. So GNP provides these resources required for the human resource development. Thus it is important to channelise these resources for the right cause.

Human resource today provides both lubrication and glue to assist the organization in its smooth and efficient working. At the same time it provides cohesiveness at an organizational and personal level. Present day organizations differ in nature, composition and functioning. However, their reliance on empowered human resource is continuously increasing.

2.5 Behavioural Aspects of Human Resource Development

The following chart gives an idea about the behavioural aspect of human resource development
## Behavioural aspects of human resource development

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Dimension</th>
<th>Description</th>
<th>Sample item</th>
<th>HRD Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Personality Development</strong></td>
<td>Grooming of external quality of an individual</td>
<td>Attitudes, ethics and character</td>
<td>Right approach to achieve healthy organizational environment</td>
</tr>
<tr>
<td>2</td>
<td>Communication</td>
<td>Clear and transparent means of conveying information.</td>
<td>Better understanding at the hierarchy level</td>
<td>Interconnectedness contributes better interpersonal relationship</td>
</tr>
<tr>
<td>3</td>
<td>Motivation</td>
<td>Motivate employees to give their best for individual performance</td>
<td>Systematic development and mutual support of employers and employees</td>
<td>Empowerment of all employees</td>
</tr>
<tr>
<td>4</td>
<td>Decision Making</td>
<td>Involvement of all employees for Healthy discussion</td>
<td>Managers consult employees before the final decision.</td>
<td>Collective opinion for organizational policy</td>
</tr>
<tr>
<td>5</td>
<td>Leadership</td>
<td>Ability of an employer and employee to command and follow</td>
<td>Encourage team members to abide with policies with an understanding</td>
<td>Total responsibility for the organizational development</td>
</tr>
</tbody>
</table>

### 2.6 Spiritual Quotient of Human Resource Development

According to Wikipedia,\(^49\) **Spiritual Quotient** (SQ) is described as a measure that looks at a person's spiritual intelligence in the same way as intelligence quotient (IQ) looks at cognitive intelligence. It is the study in which there are 6 types of personalities: social, investigative, artistic, realist, contractor and conventional.

\(^{49}\) Wikipedia
According to Biberman, McKeage and Tischler (2002), Spiritual quotient is human beings intelligence or capacity to link them closer to spiritual characteristics and manifestations such as compassion, meaning and purpose, consciousness (self awareness), vision and values.\(^50\)

Spiritual quotient motivates the people to balance their work and life. An employee with high spiritual quotient might serve in a selfless way. He imbibes values essential and practice it in day to day life, and encourages others to follow it. Spiritual quotient in an individual will help him to look beyond himself and support others. Individuals with spiritual quotient create a conducive environment.

**As an employee**

People with spiritual values help organizations to serve better. Employees with set of values create a conducive environment in an organization. These values reflect in interaction, networking, understanding and interpersonal relationship. Addition of such traits supports in quality improvement and conducive environment. The value added effect of employees support to achieve the objectives and goal of an organization within a short period of time. Employees with such values and work based training are considered as an asset of organization.

**Group behaviour**

Spiritually oriented employees come together with a common interest and possess similar ideologies at the workplace. These employees are empowered with spiritual practices such as yoga, meditation, pranayama, all these will have an impact on their attitudes, behavior and character. Such employees are able to influence their understanding and thinking on rest of the

non practitioners. Employees with optimistic approach are able to influence their environment, neighborhood and co-workers. Spiritual practitioners with their conviction and faith develop an ability to convince and cooperate at the workplace. Corporate with people oriented management, embedding with spiritual practices in their functioning realize right attitude and good environment at workplace.

Organizational goals

Globalization is complex and controversial process of worldwide changes in the economy, politics and culture. To know and understand the happenings around and act accordingly is the prime task of organizations today. They have set their goals high so as to compete with the rest of the world. Organizations have to convey the message of belongingness among their employees they have to develop sense of understanding about their requirements of good environment. Employee understanding has to improve in order to achieve the organizational goal. Spiritual practices enhance their belongingness of connectivity and co ordination with one another in an organization. Patience, perseverance, tolerance, and many more traits help employees to achieve main objectives of workplace spirituality. The approach changes from one employee to the other and help to close knit person with the organization. This perception will support and fulfill the organizational interest and meet their goals. Strategic Human Resource development therefore aims to leverage and /or align human resource development practices to build critical organizational capabilities that enable an organization to achieve its goals\textsuperscript{51} Ulrich and Lake (1990)

Corporate governance

In present world corporate has to play an important role in discharging their functions. Here employees must be treated as equals and with dignity, this

will support the spirit and morale of employees. All employees have to be respected and valued for what they are contributing towards the corporate, and their contributions have to be acknowledged, recognition builds up the healthy relationship between employer and employees. Thus corporate governance should be people oriented rather than management oriented. The corporate develop zero tolerance on discrimination, and treat everyone equally according to their ability and capacity. Respecting the inner requirements of the individuals in an organization is the principle of spirituality. Employee participation in decision making in the corporate creates the empowerment that promotes employees to take up responsibility for managing their own transaction, self responsibility and accountability.

Human resource department is providing training not only in professional field but also gearing up the people for facing adverse situations and circumstances in a corporate environment. Implementation of self management through various ways and means such as yoga, meditation prepare employees to deal with crisis situations at work place and personal life for taking right decision, ethical and moral way of functioning both at material and spiritual level. Human resource departments with all these inputs are able to monitor and control human resources without any rigid rules and regulations. In fact this training supports employees for self governance without external impositions in their thinking and performance at workplace.

Spiritual inputs enhance the understanding, improves the quality of an employee to awaken the true spirit in an organizational atmosphere.

According to Hart (1999) as organizations look to go global or remain global, they are likely to look to human resource development professionals for advice and support52

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when considering corporation as agents of global sustainability, argued that organizations in the global era need new socio-technical systems, new strategic models, and all the development of leaders whom could lead the transformation to sustainability – all ethical roles for human resource development professionals.\textsuperscript{53} D.C. Short & J.L. Callahan (2005)

Organizations have found human values and ethics as prominent parameters for general welfare of employees. Incorporating the tendency of workplace spirituality transform the minds of management thinkers and provide new dimensions.

Simply putting, ethics means ‘accepted behaviour’. Organization need to evolve programmes, practices and systems designed to motivate measure and monitor an organization’s ethical performance.\textsuperscript{54} Tapomoy Deb (2006)

Managers are able to focus on the needs and the requirements to create conducive atmosphere for the smooth functioning of employees. Framing of such programmes may be able to promote healthy atmosphere for enhancing organizational development. Attitude and behaviour of a person is governed by one’s own thinking, transformation in these area involves enormous effort. Spirituality triggers this change by means of various tools such as yoga, meditation etc. All these efforts may integrate personality of an individual to evolve with self and corporate values.

There are many variables involved in the domain of human resource development. Spirituality is one of the variable which acts as a catalyst. Spirituality discovers the potentiality and enhances the core competencies required at each level to meet current objectives of human resources. As

\textsuperscript{54} Tapomoy Deb : HRD theory and practice, Published by Ane books India, 2006
Castells (1996) states, What characterizes the current technological revolution is not the centrality of knowledge and information, but the application of such knowledge and information to knowledge generation and information processing/communication devices, in a cumulative feedback loop between innovation and the uses of innovation.\(^{55}\)

### 2.7 IMPLICATIONS

In this section an empirical evidences are discussed on workplace spirituality. Workplace Spirituality is a movement that began in the early 1920s. It emerged as a movement with individuals seeking to live with faith and spiritual values in the workplace.

There are many reasons for the down fall of the economy. The increasing workaholism, several additional factors are reported that increase uncertainty and stress at work in American workplaces. There have been many changes in work environments over the past decades that created a climate of uncertainty, chaos, and fear among employees\(^{56}\) Cacioppe (2000); Harman (1992)\(^{57}\); Kennedy (2001)\(^{58}\)

According to Neal (1999), legitimized schizophrenia leads to an artificial separation between work and life, which results in lower productivity and higher stress and burnout.\(^{59}\)

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Further Neal (1999) argues that there is a “legitimized schizophrenia” in today’s workplaces, referring to the uneasy feeling of putting on masks, hypocrisy, artificiality, and playing to be successful.  


The above trend created an awareness of workplace spirituality. Large number of books and articles on workplace spirituality were published. Growing interest in spirituality has led to the development of a new paradigm in human resource development. The workplace spirituality has steadily increased its effect over the last decade and into the new millennium.

A growing number of managers and employees are reported to resort to meditation, reflection and spiritual practices; wellness programs, as well as fitness and sports exercises at work as a method of coping with stress and uncertainty at work. Dehler and Welsh (1994), Cartwright and Cooper (1997).

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61 Neal, J. : Work as service to the divine. American Behavioral Scientist, 2000, 12(8), 1316-1334
Krishnakumar and Neck (2002) suggested that the encouragement of spirituality in the workplace can lead to benefits in the areas of creativity, honesty, personal fulfillment, and commitment, which will ultimately lead to increased organizational performance.\(^{67}\)

Milliman, Czaplewski, and Ferguson (2003) found a positive correlation between workplace spirituality and employee attitudes such as commitment to the organization, intrinsic work satisfaction, and job involvement.\(^{68}\)

These empirical reflections created a situation to incorporate spiritual practices at work.

1. Qualitative output

As Clive Morton (2004) stated, how human resource can best contribute to the success of business? The evidence is that there is not one set formula, but varieties of circumstances that demand separate solution. In the coming age, the Human resource function would augment the people’s contribution, hitherto seen as a mere add-on, centre stage. The Human resource service has to be effectively supported, as otherwise it has zero credibility. Yet the tensions between managing the function today and steering the business tomorrow represent the key dilemma for human resource professionals. The role of human resource in the 1990s was to champion changes to culture and behaviour within the organization to allow ‘total quality’ to be imported. This had to happen at every level: from boardroom to shop floor.\(^{69}\)

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2. Efficiency, productivity and working hours

Human resources can add value by either improving efficiency or enhancing a firm’s ability to satisfy customer needs (i.e. effectiveness). Research shows that programme designed to create highly skilled work force can result in higher productivity, and these improvements provide value to firms over and above costs incurred.\(^7\) Hunter and Hunter, (1984).

3. Spiritual and human resource framework in corporate management

The following chart gives an idea about the impact of spirituality on corporate management, via human resources.

<table>
<thead>
<tr>
<th>Spirituality</th>
<th>Human Resources</th>
<th>Corporate Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Love</td>
<td>Human relation</td>
<td>The ability of an employee to develop congenial interpersonal relationship</td>
</tr>
<tr>
<td>Faith</td>
<td>Mutual trust</td>
<td>Creating an environment in which easy to develop belief and trust</td>
</tr>
<tr>
<td>Balanced existence</td>
<td>Perfection in work</td>
<td>Role played by employees with understanding and self dependence</td>
</tr>
<tr>
<td>Courage and confidence</td>
<td>Risk taking ability</td>
<td>Quality that can support employees in the normal and vulnerable situation</td>
</tr>
<tr>
<td>Will Power</td>
<td>Enforcement of work</td>
<td>Talent and skill enforcement ability in the process of development of required ability</td>
</tr>
<tr>
<td>Positivity</td>
<td>Motivation</td>
<td>Enables the high self esteem and cheers up the environment with better performance</td>
</tr>
<tr>
<td>Sincerity</td>
<td>Commitment</td>
<td>Fare play at corporate management with mutual support to enhance right work at the right time</td>
</tr>
<tr>
<td>Patience</td>
<td>Right decision</td>
<td>Mechanism that helps in implementing perfect decisions according to the situation</td>
</tr>
</tbody>
</table>

The role of human resource today, among other aspects, has got to be adding value to the line. All efforts have to be made from the organizational point of view to develop human resource. Supporting them through the development and delivery policies resourcing, retention, motivation, development and reward, human resource today acts as a business partner.

4. Team work

Clive Morton (2004), stated knowledge based organizations and the knowledge workers populating them have different needs from the one’s more common process – product – or service – driven businesses. Knowledge organizations need innovation, creativity and solution to insoluble problems. Knowledge workers need superb colleagues, freedom and self-determination, challenging and interesting work, working environment that positively enhances their experience of work and the favourable interplay of that experience with their lives outside work.71

5. Interpersonal relationship

Human approach to corporate management is most important for the functioning of human resources. This can help sustaining better interpersonal relationship in the corporate management. For the quality management of an enterprise, it is essential to outsource certain activity for the efficient working of the organization. KPO (Knowledge Process Outsourcing) is one of the most important aspect which is found common in the corporate management.

Human resource services that deal with banking, insurance, trading and many other service activities which are human centered in individual or groups. Spirituality supports these human qualities in an individual which directly or indirectly contribute for the corporate management.

6. Collective responsibility

As mentioned by S.K. Tuteja (1992) the ancient Greek philosopher identified four pursuits individually necessary and collectively sufficient for the development of man: Truth, plenty, good and beauty.\(^72\)

In the secular school of thought, the aim is to articulate the ideal type of spiritual organization, understood mainly as a workplace where strong values and ethical codes ensure that the personal pursuit of spirituality is channeled towards corporate objectives. Krieger and Hanson (1999)\(^73\)

Jurkiewicz and Giacalone (2004) A set of ethical norms that usually guide behaviour in the work place. This circumstance provides those concerned about organizational ethics with both opportunities and threats.\(^74\) Anderson (2000) Integrating the values framework with workplace spirituality as organizational policy and practice can enhance employees’ sense of personal security.\(^75\)

The corporate management needs these spiritual values to enhance and develop corporate functioning according to the moral principles. This merger of corporate and spirituality generates the welfare of organization, employees and also society as a whole.

7. Optimum use of resources

Tuteja (1992) explained the pursuit of truth is the scientific and technological function of society. It consists of encouraging and facilitating the production of the information, knowledge, and understanding required by

\(^{72}\) S.K. Tuteja : Corporate management structure in India, Deep and Deep publications, New Delhi, (1992)


\(^{75}\) Anderson, P. : This Place Hurts My Spirit!, The Journal for Quality & Participation, Fall 2000, 16–17.
individuals to select the most efficient means available and to develop increasingly efficient means.\textsuperscript{76}

The pursuit of plenty is the economic function of the society. It consists of encouraging and facilitating the provision to individuals of the physical and mental resources they require in the pursuit of their ends. The ethical and moral function is carried out in the main by educational, religious, psychiatric, and legal institutions as well as the family.

8. Participatory approach of self and society

The corporate management necessarily considers the ability of the system to integrate spirituality with Human resource development. The Human resource development lays emphasis on people for whole sum development of corporate management Spirituality in the workplace is an experience of interconnectedness, shared by all those involved in a work process, initially triggered by the awareness that each is individually driven by an inner power, which raises and maintains his or her sense of honesty, creativeness, proactivity, kindness dependability, confidence, and courage; consequently leading to the collective creation of an aesthetically motivational environment characterized by a sense of purpose, high ethical standards, acceptance, peace, trust, respect understanding, appreciation, care, involvement, helpfulness, encouragement, achievement, and perspective, thus establishing an atmosphere of enhanced team performance and overall harmony, and ultimately guiding the organization to become a leader in its industry and community, through its exudation of fairness, cooperativeness, vision, responsibility, charity, creativity, high productivity and accomplishment.\textsuperscript{77} Dr. Marques, Dr. Dhiman Dr. Richard (2005)

\textsuperscript{76} S.K. Tuteja : \textit{Corporate management structure in India}, Deep and Deep publications, New Delhi, 1992

9. Welfare considerations

A study by Jurkiewicz and Giacalone (2004), on workplace spirituality suggests that the workplace spirituality values framework is definable, that these values have a positive impact on employee and organizational performance, and that organizations can exhibit varying degrees of these values through the work processes, policies, and practices that constitutes their culture. The work of advancing the science of workplace spirituality must now address the conceptual foundation” 78

2.8 Imperatives

On the basis of the above discussion, the following imperatives can be articulated.

1. Ethical education at the corporate level should add to the values of the employees. A conscious effort from the management to inculcate these values benefits the individual developments and corporate well being. These values enhance the better relationship and promote the smooth functioning of the organization. It is essential to have these values because at the end, effect will level that both products and services are produced and provide for the well being of the individuals in the society.

2. To adapt to the changed circumstances at the corporate level workshops and training programmes are to be conducted to upgrade the knowledge in technical skills and managerial skills. It is considered that equal importance has to be given to spirituality at the workplace; here these training sessions support the general understanding about the spiritual dimension of looking at the workplace and also provisions for well being of all.

3. Business is often oriented towards profit maximization and earning goodwill of the consumers in the market. But these aspects are more dependent on well being of the employees, their approach towards the work

and life style of the employees and managers. Ethical orientation makes an impact at the workplace for decision making and ethical framework in management. General guidance at the workplace generates the capacity to do better at the workplace.

4. Empowerment of human resource executives can be explained through Flow-down approach and spread effect. Executives have the key role to play in corporate existence for the orientation of the organization to meet the objectives. In this context top level executives trained in the area of spirituality, can have the spread effect on the organization, further at different levels and policy frame works will have to be moulded with spiritual values for the desired results. This creates an enabling atmosphere for workplace spirituality.

5. Meditation and related practices facilitate effective decision making, participation, efficiency and team work. Meditation training generates the capacity to concentrate and ability to take positive approach in the context of the well being of all. In a corporate atmosphere to bring in the spiritual environment meditation training contributes in greater way with all ways and means. Meditation widens the approach of an individual for the decision taking and makes the executives to be more efficient and to accept the collective opinion for the well being of all at the organizational level.

6. Workplace spirituality helps to create conducive institutional and organizational modifications. Organizations these days are in the path of progress and development; research and development is the part and parcel of their success. In this context the modification, dynamism and well being is considered as the need of the hour. With the introduction of spirituality at the workplace, institutions are able to promote these values and create an atmosphere which is conducive for the overall growth of the employees and organization.
Conclusion

The role of spirituality in human resource development for corporate management is one of the significant emerging areas. Spirituality has taken up the central position currently in the corporate world. Human resources have to be groomed to the present requirements by reaping maximum advantage of human potentiality. Thus the prime importance is given to this in contemporary research for diagnostic exercise of applying spirituality to human resource development. For any meaningful outcome human resource development will have to be aligned with the corporate objectives and strategic planning of the organization. More and more organizations have been applying various inputs to enhance the capacity and capability of human resources for gaining a competitive advantage.

Spirituality has a key role to play in developing and augmenting capabilities of human resources. Human resource development is becoming an indispensable component of modern organization; the time is now ripe to think of spirituality in human resource development as a prime component for corporate management.