### Chapter 3

Human Resource Development (HRD)

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3.1 Introduction

People are the most important and valuable resources of any organization. Dynamic people can build progressive and growth oriented organizations. Effective employees can contribute to the effectiveness of the organization. Therefore, organization should continuously ensure that dynamism, effectiveness, competency and motivation of its people remain at a high level. Thus Human Resource Development (HRD) function plays important role to bring employee effectiveness in the organization.

HRD aims at preparing people for performing roles, tasks or functions which they required for overall organizational and individual growth. HRD also plays important role in employee motivation, team building, employee-employer relationship etc.

This chapter outlines the concept of HRD, different HRD systems, HRD Processes, Role of HRD plays in the organization and characteristics of HRD climate and Culture. Chapter also gives the idea about the selection and designing of HRD interventions.
3.2 History of Human Resource Development (HRD)

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

Patricia McLagan (1987) proposed the following narrative definition of HRD:

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

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

Reference

Arriving at the final countdown to the 21st century HRD remains an important force for the future. With reference to India, it was year 1974 India witnessed the emergence of a new HRD culture. T.V. Rao, is regarded as "The Father of Indian HRD. A new Human Resource Development system emerged in India in 1974 with Dr. T.V. Rao and Dr. Udai Pareek heading the movement. It was started as a "Review Exercise of the Performance Appraisal System" for L&T by two consultants, Prof Udai Pareek and Prof T.V. Rao from the Indian Institute Of Management, Ahmedabad (IIMA), resulted in the development of a new function - The HRD Function.

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

Reference

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 respectively.

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 Behavioural Sciences (ISABS). IIMA workshops focused on 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 in year 1990. This is the first family tree of HRD in India.

After liberalization in year 1991 HRD concept gained momentum to remain competitive in changing market scenario. Most of the organizations developed full fledge HR departments. But still HRD in Indian corporate sector need more creativity and innovation.

Reference:

### 3.3 Concept of HRD

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

Nadler (1970)\(^{57}\) defined HRD as a series of organized activities, conducted within a specified period of time, and designed to produce behavioral change. Some of the common activities he identified within HRD are training, education and development.

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

T.V. Rao(1985)\(^{58}\) defines HRD in the organization context is a process by which employees of an organization are helped in a continuous, planned way to:

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

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

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

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References


McLean and McLean (2001)\(^{59}\) have offered the following **global definition of HRD** after reviewing various definitions across the world: “Human Resource Development is any process or activity that, either initially or over the longer-term, has the potential to develop adults’ work based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately the whole humanity”.

Most popular definition of HRD by Patricia McLagan(1987)\(^{60}\) as “the integrated use of training and development, organization development, and career development to improve individual, group and organizational effectiveness.

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

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

References


3.4 HRD Systems/Interventions

HRD functions are carried out through its systems and sub systems. Pareek, Rao (1992) developed the following systems framework of HRD has five major systems and each of the systems has sub systems(Interventions) as elaborated below: the first three systems viz., Career system, Work system and Development system, are individual and team oriented while the fourth and the fifth systems viz. Self renewal system and Culture Systems are organization based.

1. Career system: As an HRD system, career system ensures attraction and retention of human resources through the following sub-systems.

   - Manpower planning
   - Recruitment
   - Career planning
   - Succession planning
   - Retention

2. Work system: Work-planning system ensures that the attracted and retained human resources are utilized in the best possible way to obtain organizational objectives. Following are the sub systems of the work planning system.

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

Reference

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

- Induction
- Training
- Job enrichment
- Self-learning mechanisms
- Potential appraisal
- Succession Development
- Counseling
- Mentor system

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

- Survey
- Action research
- Organizational Development interventions
- Organizational Retreats

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

- Vision, Mission and Goal
- Values
- Communication
- Get-togethers and celebrations
- Empowerments
- Rewards and recognition

### 3.5 Selection and designing of HRD Interventions

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

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

1. HRD systems should help the company to increase enabling capabilities. The capabilities outlined in their report 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. HRD systems should help individuals to recognize their potential and help them to contribute their best various organizational roles they are expected to perform;

Reference:

3. HRD systems should help maximize individual autonomy through increased responsibility;
4. HRD systems should facilitate decentralization through delegation and shared responsibility;
5. HRD systems should facilitate participative decision making
6. HRD system should attempt to balance the current organizational culture along with changing the culture.
7. HRD should balance differentiation with integration
8. HRD should Balance specialization with diffusion of the function.
9. The HRD system should ensure responsibility
10. HRD should build feedback and reinforcement mechanisms.
11. HRD system should maintain a balance quantification and qualitative decisions
12. There should be balance between external and internal help
13. The HRD system should plan the evolution of the function
14. There should be a continuous review and renewal of the function.

**JP Sigh (1989)** argues that top management should examine the managerial culture of the group and the organization before introducing HRD interventions. His study of Indian managerial culture using Hofstede’s model based upon 176 Senior level managers belonging to 56 organizations spread over the country, showed that the Indian managers are low on all four dimensions like power distance, Uncertainty Avoidance, Individualism and Masculinity, he accordingly suggested the HRD Interventions.

References

He categorized HRD mechanisms into three families based on their value orientation i.e. power distance, Uncertainty Avoidance, Individualism and Masculinity. Table 2 Shows the Value orientation and HRD mechanism suggested.

Table 3.1: Three Families of HRD Interventions

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<th>HRD Mechanisms</th>
<th>Value Orientations</th>
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<td><strong>Family 1</strong></td>
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<tr>
<td>Performance appraisal</td>
<td>High individualism</td>
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<tr>
<td>Potential appraisal</td>
<td>Medium to high power distance</td>
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<tr>
<td>Feedback and counselling</td>
<td>High uncertainty avoidance</td>
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<tr>
<td>Training</td>
<td></td>
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<tr>
<td><strong>Family 2</strong></td>
<td></td>
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<tr>
<td>Team building</td>
<td>High collectivism</td>
</tr>
<tr>
<td>Organization development</td>
<td>Low power distance</td>
</tr>
<tr>
<td></td>
<td>Low uncertainty avoidance</td>
</tr>
<tr>
<td></td>
<td>High femininity</td>
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<tr>
<td><strong>Family 3</strong></td>
<td></td>
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<tr>
<td>Rewards</td>
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<tr>
<td>Quality of work life</td>
<td>Tailored to suit prevailing value orientations</td>
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Ishwar Dayal (1993) suggested that design of HRD interventions would have to comprehend certain important considerations as the following:

1. HRD is not a technique. It is based on management beliefs about people. The translation of the idea may require specific programme, and use of certain established techniques that may contribute to the realization of the goals of HRD.

2. HRD in interventions would require attention to several aspects of work organization such as design of jobs, communication, supervisory practices etc and not personnel practices alone.

3. Responsibility for growth is that of the individual but the management hat to create condition for growth. In facilitating growth, process interventions are more effective than direct control.

4. HRD must involve the total organization and not segment of the population.

5. HRD can achieve its goals when the operating mangers share the beliefs and assume responsibility for results. It is not a specialist function except in terms of designing, initiating promoting and evaluating the programme.

6. The designer of HRD interventions has to conceptualize the organizational problems and identify what kind of social interventions would help to solve these problems. In most critical areas the intervention strategies will have to initiate simultaneous action at organizational departmental and individual level.

Reference

D.M. Pestonji (1989) suggested very innovative approach for selecting of HRD interventions in his working paper “Top Management Stresses: suggested HRD interventions”. His paper is attempted to relate the role stresses of top managers with HRD interventions. He found that the major stress for the op management executives is due to role erosion. They develop the feeling that their worth or the importance of their role has lessened as compared to other roles. This is probably due to faulty integration in the organization. Therefore the HRD Intervention should be selected by considering this point. HRD interventions should be aimed at improving this integration so that the self concept of the executive is raised and so that his growth need and self actualization needs are satisfied.

Thus the literature on the designing and selection HRD interventions shows that following factors to be consider:

1. Organizational Goals and objectives
2. Culture of Organizations.
3. Design of jobs, communication, supervisory practices etc of the organizations.
4. Organizational problems
5. Leadership and management beliefs about people
6. Stress level and type of Stresses in organization

Only Correct selection and design of the HRD interventions are sufficient for the successful HRD. HRD interventions should able to build positive HRD climate for workforce commitment in the organization. An important concern for HR managers today is to help develop a workforce committed to the organizational goals. Only a committed workforce would tirelessly work and aspire for the higher performance that makes an organization successful.

Reference:

While formulating HRD policies regarding recruitments and selection, training and appraisal, etc., the focus should be on employee needs and motives. A work environment that is perceived as concerned about the employees, aiming to fulfill their needs, results in trust and loyalty on behalf of the employees. The success of an organization always lies with its employees and the HRD climate plays an important role in making the employees committed to the organization, which would act as a catalyst in improving their performance.

3.6 HRD Processes

HRD is a process-oriented function. HRD functions in many organizations fail because the processes involving the systems are not adequately addressed. The concept of process essentially concerns the question of “how” and to a great extent the question of “why”. It emphasizes the behavioral and interactional dimensions. All the HRD processes are centered around four constituents of an organization viz, the employee, role, teams and the organization itself. Each of the unit has its own behavioral patterns and framework, which, if not addressed adequately may not bring in the desired outcomes. It is through these processes that the HRD systems are effectively implemented. Implementations of the HRD systems are, in turn intended to bring in right processes in organizations. Hence HRD systems and HRD processes are closely linked.

Their relationships are well explained by T.V.Rao (1990).66

1. Individual: Individual is the basic constituent of an organization. All the behavioral pattern and dynamisms emerge from individuals. Hence individual based HRD process explained below are vital for HRD function and for implementation of the HRD systems.

- Efficacy
- Effectiveness
- Styles
- Leadership

Reference:

2. Role: Role is a dynamic entity which involves the expectations of significant others and self from the position of the role holder. A large number of behavioral patterns and dynamism in organizations are centered around the roles. The role occupier and all others who have some linkage or relationship to that role form a constituent. Following are some of the role related, HRD processes in organizations.

- Competencies for job performance
- Commitment
- Motivation
- Frustration
- Stress & Burnout

3. Teams: Work in organizations are performed through teams or groups. When individuals begin to work in team, behavioural patterns and dynamisms emerge. Following HRD processes are to be addressed if team work should bring in the desired results.

- Communication
- Feedback
- Conflict resolution
- Collaboration

4. Organization: A large number of HRD processes are organization related. Unless and until these processes are in place, HRD cannot take off. However, in a number of organizations as a result of implementation of HRD systems, these processes were set right. HRD systems can contribute towards the development and maturity of these processes.

- Organizational Climate
- Communication
- Learning Organization
- Organizational Change
- Organizational Development
3.7 Role of HRD

As HRD practitioners create rather than just respond, they will seek leverage and ways to help managers, teams, and individuals take charge of their own human resource practices. HRD competencies and future trends in HRD Pat McLagan (1996) identified nine important roles for HRD practitioners to perform. According to McLagan "HRD may be the only function in a clear position to represent human ethics and morality". It is in the following roles that the present HRD professionals are challenged to create new ways to address the human resource issues:

1. HR strategic advisor

In this role the issues and trends concerning an organization's external and internal people are brought to the attention of the strategic decision makers

2. HR systems designer and developer

This role involves designing and preparing HR systems for implementation so that HR systems and actions are mutually reinforcing and have maximum impact on organizational performance, development and endurance.

3. Organization change consultant

This role means facilitating the development and implementation of strategies for transforming organizations.

References:

4. Organization design consultant

This role involves identifying the work required to fulfill organizational strategies. It also involves organizing the work so that it makes efficient and effective use of resources.

5. Learning program specialist

In this role learning needs are identified to design and develop structured learning programs and materials in a variety of media formats for self-study and workshop or electronic delivery.

6. Instructor/facilitator

This is an increasingly difficult role. In it information is presented, structural learning experiences are lead and group discussions and group processes facilitated.

7. Individual development and career consultant

This role involves helping people assess their competencies, values and goals so they can identify, plan, and implement development actions.

8. Performance consultant

This role means assisting a group or individuals to add value in the workplace. It's a coaching and consulting role in which HRD people perform both analytical and systems-design work.

9. Researcher

This role involves assessing HRD practices and programs and their impact empirically. It also means communicating results so that the organization and its people accelerate their change and development.
In the same line Patty Davis, Jennifer Naughton, and William Rothwel (2004) developed the competency model shown in figure 1 which describes the different role and competencies require to carry out that role.

Competencies model encompass clusters of skills, knowledge, abilities, and behaviors required for people to succeed in HRD profession.

References

Figure 3.1: The 2004 ASTD Competency Model

3.8 HRD climate and culture

HRD climate and culture is one that results from the beliefs of the top management initially and subsequently from the HRD system and practices. Organizational culture is defined as unwritten rules, practices, attitude and beliefs that affect the performance of the employees.

HRD deals with competence building, culture building and commitment building. HRD culture also termed as OCTAPACE, which is an acronym for openness, collaboration, trust and trustworthiness, authenticity, Proactive, autonomy, confrontation & experimentation. Thus the characteristics of HRD culture are:

- **Openness**: where people free to express their ideas, opinions and feelings to each other irrespective of their level and designation.
- **Collaboration**: Culture where people are eager to help each other.
- **Trust and trustworthiness**: Culture of people believing each other and acting on the basis of verbal messages and instructions without having to wait for written instructions or explanations.
- **Authenticity**: people speak truth fearlessly and keep promises made
- **Proactive**: Promote initiative and exploration on the part of all employees
- **Autonomy**: employee has some scope to use discretion to job.
- **Confrontation**: It is culture of facing issues squarely. People discusses issues without hurting each other.
Rao and Abraham (1986) stated that HRD climate is characterized by the tendencies such as treating employees as the most important resources, perceiving that developing employees is the job of every manager, believing in the capability of employees, communicating openly, encouraging risk taking and experimentation, making efforts to help employees recognize their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive HRD practices. An optimal level of development climate is essential for facilitating HRD activities.

Pattanayak (1998) HRD climate is the human environment within which an organization’s employees perform their job. He also states that a HRD climate affects performance in three ways:

1. By defining the stimuli that confronts the individual
2. Placing constraints on the individual’s freedom of choice
3. Providing source of reward and punishment

Thus Organizational climate describes the morale and perception of the organization and is quite subjective. Thus the climate is outcome of the culture. Thus suitable HRD culture is required to create the positive HRD climate.

Many researchers agree that a congenial HRD climate is extremely important for the ultimate achievement of the business goals like

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In the study Pooja Purang (2008)\textsuperscript{71} was a survey research performed in five organizational on a total sample size of 247 middle level managers. The study hypothesized a positive relationship between the ten dimensions of HRD Climate and Organizational Commitment. The study shows that to improve the organizational commitment of managers, the focus should be given to the HRD Climate prevalent in the organization. Amongst the various aspects of HRD Climate focus should be placed on Career Planning, Appraisal mechanisms, Job Enrichment and Organization Development. If the employees perceive the climate positively it results in increased trust, loyalty and identification with the organizational goals and involvement in fulfilling them.

Thus the HRD climate at the individual level is a summary perception of the organization.

References