

## **What is Human Resource Development: Introduction, Meaning, Functions, Concept, Objectives & Role**

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### **What is Human Resource Development – Introduction?**

This is an era of microchips and globalization where mergers and acquisitions are the order of the day, no resource is more important than human resource. Gone are the days when machines were considered to be the wheels of advancement, people and companies have now come to believe that the only vehicle for advancement is the human resource. The ends and means of any human activity are humans. The dictum has to be of by the people, for the people and of the people.

The companies cannot afford to have a profit centric approach; the focus has to shift to them being people centric, if at all they want to survive in this tsunami of competition. A well-informed capable citizenry can not only improve the total ability of an organization, a society, a government agency but virtually of a country, of a nation as a whole. Therefore, the onus now lies on building and having a well-informed work force which is capable and competent.

The importance of human capital and human asset cannot ignore in this information era. The key to success is to maintain a pool of informed work force. It is investing in this line of business that could lead any

organization to attain heights. It is this pool of employees that makes difference between one organization and another.

Many great leaders who have made their mark in corporate world by their actions say that every organization can acquire the same machinery, the same infrastructure, same material but what makes the difference in one organization from to another is the manpower it possesses which cannot be imitated.

Getting the right person at the right place and then retaining him has been the main area of concern in corporate world but now the focus is also on motivating them and developing them. Hence, the emphasis is being laid to device policies and programs in such a manner that it leads to development of the manpower and thus contributing towards organizational development. Each organization is now thriving to attain the best develop the best and maintain the best. The corporate now believe that it is the knowledgeable worker who can leverage their wisdom towards the achievement of the organizational objectives.

In this era of tough competition, nobody is satisfied with a third best or the second best person on its employee list; every company wants to have the best person in the organization. But the challenge then is first to find such talented employee who exactly fit the desired job profile; and second to retain these talented people. This indeed is a Herculean task because it is a well-established fact that “regardless of labor market conditions, outstanding employees are always in short supply”.

The only answer then is to develop the manpower to meet the changing demands of the environment. No organization should ever think that once it has acquired the best talent, created favorable conditions to retain them they would not require going in for developmental activities. It should be kept in mind that developing is a continuous ongoing process; one which will have its existence till the organization functions.

The technology is changing and so has the employees to change. Darwin’s Theory of the Survival of the fittest still holds good. The Organizations to survive in this age has to essentially keep up pace with the changes and move with it or else end is inevitable.

Having recognized the need for hiring and keeping high performing employees, the Companies are now promoting the idea that employees are their biggest source of competitive advantage. But the astonishing reality still is that most of them are as unprepared for the challenge of finding, motivating, and retaining capable workers as they were a decade ago.

Therefore there is a need to develop an understanding into the subject area of HRD and then answer questions like why do companies need to develop their HR? What is means to develop human resources and who takes charge of developing them? What is the difference between training and development? To answer these basic queries, we have to first understand the concept of human resource development and define it.

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### **What is Human Resource Development – Meaning**

With increasing global competition, organizations are under tremendous pressure to improve their performance through reduction of cost and in quality upgradation. Indian business organizations too have now realized that they are now in a more open, highly competitive, and market-oriented environment.

#### **The three challenges for Indian business organizations are:**

1. How to maximize return on investments?

2. How to be more innovative and customer driven?

3. How to renew and revitalize an organization?

#### ADVERTISEMENTS:

In this context, the most important steps are- effective management; holistic development; and optimum utilization of human resources.

In the past decade something quite different was happening in many Indian organizations, calling for a second look at traditional personnel functions and their integration with organizational objectives. Several steps were taken, such as, conceptualization of employees as resources; strategic role of personnel functions; greater partnership to line managers in managing human resources; dovetailing of training with other personnel functions; synthesis of different personnel functions, etc.

It is difficult to categorise these activities under a single label. Rather, they can be brought under the umbrella of Human Resource Development (HRD).

The human resource development in India is of recent origin, and the terms gained currency only in the early seventies. The term “HRD” was first applied in 1968 in George Washington University. It was used in Miami at the conference of American Society for Training and Development in 1969.

The term was gaining more acceptances during the mid-1970, but many used it as a more alternative term than “Training and Development”. In the opinion of some management professionals, Japan is the first country to begin with HRD practices. “Better People”, not merely better technology, is the surest way to a “Better Society”, is the most popular belief in Japan.

It is often said that an organization is only as good as its people. Organizations of all types and sizes, including schools, retail stores, government agencies, restaurants, and manufacturers, have at least one thing in common – they must employ competent and motivated workers.

This need has become even stronger as organizations grapple with the challenges presented by a fast-paced, highly dynamic, and increasingly global economy. To compete and thrive, many organizations are including employee education, training, and development as an important and effective part of their organizational strategy.

HRD activities should begin when an employee joins an organization and continue throughout his or her career, regardless of whether that employee is an executive or a worker on an assembly line. HRD programs must respond to job changes and integrate the long-term plans and strategies of the organization to ensure the efficient and effective use of resources.

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#### **What is Human Resource Development – Evolution?**

Development of human resources is essential for any organization that would like to be dynamic and growth-oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, bring to surface, nurture and use the capabilities of people.

Human Resource Development (HRD) system aims at creating such a climate. A number of HRD techniques have been developed in recent years to perform the above task based on certain principles. This

unit provides an understanding of the concept of HRD system, related mechanisms and the changing boundaries of HRD.

HRD concept was first introduced by Leonard Nadler in 1969 in a conference in US. “He defined HRD as those learning experience which are organized, for a specific time, and designed to bring about the possibility of behavioral change”.

Human Resource Development (HRD) is the framework for helping employees to 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, mentoring, succession planning, key employee identification, tuition assistance, and organization development.

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.

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.

Though “human resource development” as a term is relatively new, nonetheless the concept has been practiced since long. Academicians and practitioners have focused on and wrote a great deal about what they believed to be the stages in which the subject as a stream of knowledge evolved. These attempts have resulted in the identification of different phases that resulted in giving desired impetus to the formation of the subject as it stands today.

To clearly understand the evolution of HRD as a concept; the developmental phases of the subject have been divided into four distinct epoch each covering a specific span of time –

### **Phase I – Early Apprenticeship Training Programs (Late 18<sup>th</sup> Century and Early 19<sup>th</sup> Century):**

The origins of HRD can be traced back to the various apprenticeship training programs prevalent in the late eighteenth century. During this era, miniature shops were run by skilled artisans. These shops produced all household goods ranging from furniture to clothing and shoes. To meet the ever increasing demand for these house wares, craft shop owners had to employ additional workers who with little or no vocational or technical training were of little use for these shopkeepers, therefore they had to impart necessary skills to educate and train their own workers.

They were employed at nominal wages until they became proficient in their trade. These apprentices during their initial training years learned the craft of their master. This process was just not confined to the skilled trades; the apprenticeship model was also followed in the training of physicians, educators, and attorneys. Apprentices who mastered all the necessary skills were considered as – “yeomen,” and could leave their masters and set up their own craft shops; however, most of them stayed back with their masters because they could not afford to buy the tools and equipment needed to start their own craft shops.

To address the competition and threat posed by the growing number of trained yeomen, master craftsmen formed an association of private “franchises” so they could regulate and have a stringent control on product quality, wages, hours, and apprentice testing procedures. These craftsmen associations grew to become powerful political and social forces within their communities which made it even more difficult for yeomen to establish autonomous craft shops.

The answer to this was given by forming separate associations called yeomanries; to collectively voice their opinions while negotiating higher wages and better working conditions. Yeomanries were the forerunners of modern labor unions.

In the onset of nineteenth century, Early Vocational Education Programs were offered and were a great hit. The first recognized privately funded vocational school was founded in 1809 by DeWitt Clinton in the New York City. The purpose behind setting up of the school was to provide occupational training to unskilled young people who were unemployed or had criminal records.

Since these schools were set up with an intention of showing direction to misdirected youth; manual schools grew in popularity. These early forms of occupational training established an archetype for vocational education.

### **Phase II – Era of Industrial Revolution (Late 19<sup>th</sup> Century):**

During the era of Industrial Revolution in the late 1800s, machines began to substitute the hand tools of the workers. In this era, the management decisions were mainly concerned with increasing efficiency of the workers. Fredrick Taylor's scientific management principles documented the significant role of machines for increasing efficiency and effectiveness. Scientific Management sought to create a revolution in the workplace by replacing the rules of thumb by scientific methods.

Taylor studied what the workers ought to be able to produce. His methods were designed to find 'one best way' to do the job. The result was that the semiskilled workers using machines could produce more than the skilled workers in small craft shops. This marked the beginning of factories as we know them today.

Factories made it likely to enhance production by using machines and un-skilled workers, in addition to this a significant demand was also created for the engineers and skilled mechanics who could design, fabricate, and refurbish the machines. This led to invigorate the demand for skilled workers and the supply of vocational school graduates fell short of meeting this increased demand. In order to meet up the requirement, factories started imparting necessary training to the workers.

These training schools were referred to as "factory schools". In the year 1872, the first documented factory school came up at Hoe and Company, which was a New York manufacturer of printing presses. The main distinction between the Factory school programs and early apprenticeship programs were that the former were of shorter duration narrower in focus than the latter.

Both apprenticeship programs and factory schools provided training for skilled workers but there were very few companies during this era which offered training to the unskilled or semiskilled worker, a practice that was changed in the next few years.

### **Phase III – The Age of Human Relations (First Half of 20<sup>th</sup> Century):**

Very like World War I, the outbreak of Second World War raised the demand for artillery. To meet the huge demand, many factories producing nonmilitary goods had to train their workers, including the semi-skilled once to produce military equipments. To facilitate the training process, new techniques like job instruction training (JIT) which was used in World War I, and is still used today for training workers on the job were devised.

In 1913, Ford introduced a new car Model T which was the first car to be mass-produced using an assembly line. Several semiskilled workers were trained to perform various tasks as it was imperative to cut production costs significantly in order lower the prices for making the Model T affordable to a large segment of the consumers.

This resulted in increased demand for the Model T and Ford had to design more assembly lines, which in turn led to training more people. Following Ford, the other automobile manufacturers also started using assembly line processes, resulting in a proliferation of semiskilled training programs.

But there was a flip side too to this success and it was the unhealthy working conditions, extended working hours, and meager pay packages. The terrible conditions impelled a “human relations” movement which advocated for more humane working conditions. This movement provided a more multifaceted and pragmatic understanding of workers as live human beings. The movement which continued till 1940s emphasized the importance of human behavior on the job.

Abraham Maslow in his theory on human needs reinstated the fact further that people could be motivated by non-economic incentives which further reinforced the notion that the workers were live beings having needs and desires and were not just devices operating upon machines.

Till this era, training was considered to be the pre requisite for workers and some emphasis was there on the working conditions of the workers. But no mention was there about the developmental aspect of the workers. The training was imparted and was limited to the objective of meeting the various demands.

#### **Phase IV – The Modern Age (1950 Onwards Till Date):**

Eventually, as time passed, professional trainers started realizing the fact that their role extended beyond the four walls of the classroom. The increased trend towards employee involvement in many organizations required trainers to coach and counsel employees, thus expanding the horizon of training to include interpersonal skills such as – coaching, group process facilitation, and problem solving. There was added stress on employee development.

The 1980s even greater changes affecting the T&D field in 1980s led to ASTD approve the term ‘human resource development’ to include this growth and change. In the 1990s, efforts were made to fortify the strategic role of HRD in meeting the goals of the Organizations. There was increased thrust on performance improvement as the particular goal of most training and HRD efforts, and on viewing organizations as a network of developed human assets.

The movement from managing to developing and presently on Talent management shows how the importance of human aspect has increased and now the orientation is completely on HRD.

#### **From HRM to HRD – A New Way Forward:**

Thus we have seen in the prior section how HRD evolved. One of the major functions of any organization is Human Resource Management. It starts with recruitment and ends with retirement of employee from the organization. It is a known fact that the ends and means of any Business activity are human beings as Organizations are manned and staffed by people. Without people Organizations cannot exist. Indeed, the challenge, the opportunity and also the frustration of creating and managing organizations stem from the people related problems that arise within them.

People are all different and need to be treated differently. Only managing them may not be the ideal solution to their problems. They have to be subjected to proper developmental training for bringing out their best.

There is nothing that cannot be accomplished. They have to be managed but also proper impetus has to be given on their development as it keeps them motivated. The importance of Human aspect should never be ignored as employees are those unaccounted assets in an Organization without which the Organization’s being is questionable.

Every organization is composed of people and utilizing their services, developing their skills, motivating them to enhance their levels of performance and ensuring that they remain committed to the organization are essential for the accomplishment of organizational objectives. Be it any industry and any organization, this is true for all. Organizations that can do this will be both effective as well as efficient. Inefficient or ineffective organizations devoid of development facilities for employees face the danger of stagnating or going out of business.

Any investment made on training and development of people is sure to yield results. The investments made on HRD are definitely long term since development of skill, knowledge and attitude is a very slow process but not an indefinite process. Therefore we have to move forward from managing to develop because enterprises' development and growth depends on the human assets.

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### **What is Human Resource Development – Concept?**

A number of definitions of Training and HRD have been given by the pioneers of Management Training and Human Resource Development.

Milton Hall defines 'Employee Training' as the process of aiding employees to gain effectiveness in their present and future work through development of appropriate habits of thought and action, skill, knowledge and attitudes. Training aims at increasing the effectiveness with which the functions of an organization are carried, out by increasing the effectiveness of its personnel.

The definition given by Milton Hall stresses development of knowledge, skill and attitude. As far as knowledge and skills are concerned, it is possible with planned effort on part of HRD executive.

In respect of attitudes, improvements are possible only with long range efforts and planned efforts by HRD executive and success in this area cannot be much predicted or ensured as it would largely depend on the willingness and readiness of the person, or persons whose attitude is to be improved.

**With regard to development of attitudes the following factors are to be given due importance and consideration, before HRD effort is planned:**

1. The desired change in attitude should be positive in nature.
2. Before an effort to improve the attitude of a person is tried or envisaged, the person concerned should agree and have conviction that he requires a change in his attitude and this is going to prove to his benefit, with respect of his career development and success in his working life.
3. The working conditions and the culture of the organization should offer to induce the employees to adopt positive attitude and aptitude which works to motivate a person to do things to meet the desired standard of behavior and output to achieve the desired targets of production and services assigned to his area of working.

### **Human Resource Development at Macro and Micro Level:**

HRD is applicable to both at macro level (national level) as well as micro level (organizational level). At the macro level, HRD is concerned with the development of people of country as a whole. For example, HRD ministry of Government of India is concerned with developing people in whole of country.

At micro level, each organization is concerned with developing its human resources. While HRD at macro level has uniformity, it differs at micro level because each organization may have distinct approach for developing human resources.

There is close relationship between HRD at macro level and micro level. Macro level HRD provides human resources to organizations. Therefore, efforts at micro level HRD is influenced by macro level HRD. For example, overall quality of human resources of a country determines the type of efforts that individual organizations make in developing its human resources. If this quality is high, lower organizational efforts are required. In the alternative case, higher organizational efforts are required.

### **HRD in Indian Context:**

#### **Some specific features of HRD in India are as follows:**

1. At the macro level, there are plenty of educational institutions in India producing large number of educated people every year. However, quality of majority of such people is very low. Therefore, they are not employable.

According to National Employability Report, 2014, only 18.33 per cent engineering graduates are employable. Similar is the case with management graduates. So far as other educational disciplines are concerned, the situation is even worse except some professional disciplines.

2. At the micro level, HRD efforts of individual organizations differ widely. There are many organizations which pay very high attention to HRD. They spend lot of money in developing their human resources. Such organizations believe in developing competitive advantage through their human resources. As against this pattern, there are plenty of organizations which give very low importance to HRD. Such organizations treat HRD expenses as waste.

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### **What is Human Resource Development – Scope?**

It is evident that human resource management is not merely the job of a human resource manager, though he is at the center of HRM activities in an organization. No doubt the human resource manager plays a very crucial role in an organization while HRM is the responsibility of all executives and managers in an organization.

While HRD manager acts as a catalyst for change, he provides necessary direction to all managers on HRM intervention in the respective departments and levels, it is concerned with developing human resources in accordance with the need of the organization. The top management must adopt a clear cut policy on HRM and HRA.

Well planned HRD programs enable the human resources planners to develop people in accordance with the yardsticks of manning norms in the context of technological advancements in industrial world. Human resource management is impossible without human resource development. Therefore a number of companies designate the human resource manager as HRD manager.

In the existing situation human resource development has a wider scope.

#### **It includes the following areas:**

(1) Management and executive development

- (2) Development of executive
- (3) Development of technologists and technocrats
- (4) Supervisory development
- (5) Leadership development
- (6) Skilled manpower development
- (7) Literacy and talent development
- (8) Programs for social talent development and team building
- (9) Development of trade unionists

An adequate policy, plans, programs must be prepared for developing the people at work. Therefore, people will gain better quality of work life and quality of life.

Training is an important part of the HRD programme. It is planned systematic and continuous process of learning and growth. HRD programs therefore assign priority for training.

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### **What is Human Resource Development – 7 Important Approaches: Human Capital, Social Psychological, Poverty Alleviation, Queen Bee, Motivational and a Few Others?**

HRD is a process, not merely a set of procedures and practice. Organizations can trigger this process by planning for HRD and allocating resources needed for it. It is important in this regard to throw some light on the various approaches to HRD.

#### **1. Human Capital Approach:**

This approach given in 1960s dealt with managing & measuring worker productivity. The importance of HRD was judged in terms of the effect of HR on the bottom line of the firm. Human Resources were associated to human capital formation which included several activities.

Schultz was of the view that investment in development of human beings for acquisition of useful skills and knowledge could only yield results if direct expenditure in health, on-the-job training, and formal education and internal migration was made. These activities were directly related to human capital formation. He linked economic growth to human capital and was of the view that renewed thrust was needed in order to help human capital bring to full bloom.

#### **2. Social Psychological Approach:**

This approach highlights that motivation, attitude and values are important variables in development. David Mc Clelland studied the various factors that contributed to economic development of various countries. Based on his extensive research which he published in his seminal work “The Achieving Society” published in 1961, he concluded that motivation to achieve excellence led to economic development.

He further suggested that management should pay attention to the effects of the plans on attitude, value and motives of people because in his opinion it was these factors that had a bearing on the success of the plans. He linked achievement motivation to economic improvement and suggested ways to develop human potential.

### **3. The Poverty Alleviation Approach (World Bank Report of 1980):**

This approach suggests that involvement of state is needed for development of people and reduction of poverty in an economy. Based on the Report of the World Bank of 1980; it identified investments that needed to be done for equipping the poor to become self-sufficient. This approach was a step forward in recognizing economic role that human development could play. It further established the importance of developing human competence for poverty alleviation leading to economic development.

### **4. Queen Bee Approach:**

As the name itself suggests, in this approach one particular individual makes use of all the available resources for his/her own development.

### **5. Motivational Approach:**

Drawing from the Psychological approach, this goes a step forward in the direction of recognizing motivation as the sole means for improving efficiency hence productivity.

### **6. Creativity Approach:**

This emphasizes on creativity and innovations as the key aim of HRD activities. Creative organizations are equipped better to deal with crises and face competition as creativity deals with developing stupendous ideas and innovative concepts. Creativity is an important competitive resource as Organizations may lose many fruitful prospects due to lack of creativity.

Businesses are facing challenges in the form of rapidly changing technologies, severe competition and volatile markets and a creative approach to business would arm the employees with necessary skills to handle such uncertain situations.

### **7. Inputs Approach:**

This is a mechanistic approach, which seeks to calculate the benefits of HRD as a ratio of input and output.

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## **What is Human Resource Development – Objectives?**

### **The main aims, goals and objectives of HRD are:**

1. To maximize the utilization of human resources for the achievement of individual and organizational goals;
2. To provide an opportunity and comprehensive framework for the development of human resources in an organization for full expression of their talent and manifest potentials;
3. To develop the constructive mind and an overall personality of the employee;
4. To develop the sense of team spirit, team work and inter-team collaborations;
5. To develop the organizational health, culture and effectiveness; and
6. To generate systematic information about human resources.

### **Sub Systems of HRD are:**

1. Training and Development

2. Career planning and Succession planning
  3. Performance Appraisal and Potential Appraisal.
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### **What is Human Resource Development – Mechanism?**

The HRD mechanism is also termed as HRD sub-systems or instrument, as it contributes towards the achievement of HRD goals. Therefore, it can be said that all policies, procedures, activities, and rules, aimed at fulfilling the HRD goals are termed as HRD mechanism.

**Some of the aspects covered in the HRD mechanism are listed as follows.**

- i. Performance appraisal
  - ii. Potential appraisal
  - iii. Career planning
  - iv. Succession planning
  - v. Job rotation
  - vi. Job enrichment
  - vii. Rewards
  - viii. Organizational development.
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### **What is Human Resource Development – Focus?**

HRD system is entirely designed keeping in view the contextual factors such as size, technology, skill levels, and support for function. It does focus on developing human resources at various levels (problem-solving capabilities leading to increase employee productivity) and commitment.

It aims at taking the organization forward by anticipating changes and preparing people for future challenges. It is important to integrate it properly with other long-range functions such as corporate planning, budgeting, etc.

**The main focus of human resource development is as follows:**

#### **1. Building Linkages with Other Functions:**

Human resource development systems should be designed to strengthen some other functions in the company. These functions are long range corporate planning; budgeting and finance, marketing, production, and other similar functions. These linkages are of great significance.

#### **2. Balancing Specialization and Diffusion of the Function:**

Although HRD includes specialized functions, line people should be involved in various aspects of HRD. Action is the sole responsibility of the line people and HRD should strengthen their roles accordingly.

#### **3. Balancing Adaptation and Change in the Organizational Culture:**

HRD systems are designed to suit the organizational culture yet the role of HRD may be to modify that culture to increase the effectiveness of the organization. There are two contrary views, first view is HRD should be designed to suit the culture and the second view that HRD should be able to change the culture.

Both positions seem to be extreme. Yet they are complimentary HRD should take the organization forward, and this can be done only if its design anticipates change and evolution in the future.

#### **4. Focus on Enabling Capabilities:**

The main purpose of HRD is to assist the organization to enhance its 'enabling' capabilities. These capabilities include the following development of human resources, development of organizational health, improvement of problem-solving capabilities, development of diagnostic ability so that problems can be located quickly and effectively to achieve increased employee productivity and commitment.

#### **5. Attention to Contextual Factors:**

After considering the various contextual factors of the organization the following issues are decided and settled. What is to be included in the HRD system, how it is to be sub-divided, what designations and titles will be used and similar issues its culture and tradition, size, technology, levels of existing skills, available support for the function, availability of outside help, and so on.

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### **What is Human Resource Development – Structure?**

Generally, the organizational structure of human resources is very flexible it reflects the immediate needs of the organization. There is no modern organization, where the HRM organizational structure stayed the same for more than 18 months.

The HR organizational structure has to follow and meet out the needs of the organization, beside it has to allow the employees inside human resources to operate smoothly and to deliver consistent results over the longer period of time.

#### **Structure of HRD system is mainly bears responsibility for the following:**

##### **1. Establishes as the Identity of HRD:**

It is important that the distinct identity of HRD be recognized. The person in charge of HRD should bear the responsibility exclusively for this function and should not be expected to do it in addition to any other function. Multiple responsibilities produce several kinds of conflict. This person should report directly to the Chief Executive officer of the organization.

##### **2. Ensures Respectability for the Function:**

In many companies, the personnel function does not have much the reason it is not perceived as a major function within the organization. It is essential that HRD is instituted at a very high level in the organization and that the head of the HRD department be classified as a senior manager. Both the credibility and utility of HRD depend on such resultant.

##### **3. Balances Differentiation and Integration:**

The human resource development function often includes three functions- personnel administration, human resource development and training and industrial relations.

#### **4. Establishes Linkage Mechanisms:**

HRD has connection with outside system as well as with internal sub-systems. It is wise to establish specific linkages to be used to manage the system. Standing committees for various purposes (with membership from various parts and levels of the organization), task groups and ad hoc committees for specific tasks are useful mechanisms.

#### **5. Develops Monitoring Mechanisms:**

The HRD function is never stationary it is always evolving. Hence these are requirement of systematic monitoring to review the progress and level of effectiveness of the system and planning for its next steps. A thorough annual review and a detailed appraisal every three years will be invaluable in reviewing and planning. It may be helpful to include persons from other functions in the organization in the HRD assessment effort.

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### **What is Human Resource Development – Designing HRD System: Focus on Enabling Capabilities, Attention to Contingent Factors, Proper Respect for HRD and a Few Others?**

**In designing HRD system, the following issues should be taken into account:**

#### **1. Focus on Enabling Capabilities:**

The basic objective of HRD is to help the organization to increase its enabling capabilities which include development of human resources at three levels- individual, interpersonal, and group. Simultaneously, focus should be on developing high-performing organizational culture.

#### **2. Attention to Contingent Factors:**

In designing HRD System, contextual factors should be taken into account. These factors are organization' size, culture and tradition, technology, nature of workforce, and skill levels to be developed. These factors should be taken into account while deciding- (i) what aspects to be included in HRD system, (ii) how to divide HRD system into subsystems, (iii) designations of positions in HRD system, (iv) interaction of HRD system with other functions of HRM.

#### **3. Linkage with Other Organizational Functions:**

HRD system provides support to other organizational functions- production/operations, marketing, and finance. Therefore, effective link between HRD system other organizational functions should be provided.

#### **4. Balancing Specialization and Diffusion of Functions:**

Though HRD is a specialized function, line people should be involved in various aspects. Action related to human resources is sole responsibility of line people while HRD system is expected to enable these people to discharge their responsibility effectively.

#### **5. Balancing Differentiation and Integration:**

There should be balance between differentiation and integration of HR functions. Differentiation denotes difference in cognitive and emotional orientation among personnel dealing with different HR functions and integration denotes state of collaboration among these people.

While differentiation is necessary for specialization in performing various HR functions, these functions should have collaborative approach. Therefore, balance is required between differentiation and integration. While designing HRD system, proper attention should be given on this aspect.

#### **6. Developing Monitoring Mechanism:**

A system should have a monitoring mechanism through which the performance of the system is measured. If the performance is not up to expectation, corrective actions may be taken to overcome the problem. This is true for HRD system also. HRD system works in the dynamic environment.

Therefore, it may work well in the given environment. When the environment changes, HRD system does not work well. Monitoring mechanism ensures that information reaches the person who is responsible for bringing change in HRD system.

#### **7. Proper Respect for HRD:**

In order to ensure that HRD system works effectively and achieves its objectives, it must be given proper respect. This can be done by positioning HRD at sufficiently higher level.

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### **What is Human Resource Development – Organizing HRD System: Two Basic Issues Involved in the Process of Organizing HRD?**

In the process of organizing HRD system, there are two basic issues involved- determination of responsibility for HRD and forms of HRD organization. Both these issues are interdependent.

#### **Responsibility for HRD:**

The first issue involved in organizing HRD system is to find out answer of the question- HRD — whose responsibility? This question arises because a part of HRD functions is performed by line managers and other part is performed by HR department. HR department, of which HRD department is generally a part, stands in staff capacity with some functional authority and, therefore, it has to sell its ideas.

In the context of HRD functions, the responsibility is divided between HRD department and line managers. In discharging this responsibility effectively, HRD department designs and provides instruments and mechanisms for the use of line managers, and it is the responsibility of line managers to make use of these in developing personnel under them.

**Thus, responsibilities of line managers and HRD department in the context of effective performance of HRD functions are as follows:**

#### **Responsibility of line managers for HRD functions is of the following type:**

1. To make request to the HRD department to design and introduce new systems or modification of old systems like autonomous work groups, task forces, quality circles, stress coping systems, etc.
2. To implement various HRD techniques, to identify the problems experienced in implementing these, and to get these problems solved in consultation with HRD department.
3. To identify with the help of HRD department the implications of various HRD techniques for generating a climate of mutuality, trust, and openness.
4. To provide continuous on-the-job training to personnel engaged in the department under him.

### **Responsibility of HRD Department:**

#### **Responsibility of HRD department extends to the following:**

1. To understand HR philosophy and beliefs of top management and if these are counter-productive, influence the top management to change these suitably.
2. To formulate HRD policies in consultation with top management.
3. To inspire managers to learn and develop themselves and employees working under them on continuous basis.
4. To design training and development modules and implement these in consultation with the line managers.
5. To evaluate the effectiveness of various training and development programs.
6. To interact continuously with the outside experts in HRD and institutions offering HRD programs to make effective use of these facilities.

Udai Pareek has viewed the responsibilities of various personnel of an organization involved in HRD functions as such. Top management pays highest attention to building culture and climate, and to building strong and self-managing teams.

Line management play the key role; they identify subsystems that need OD efforts and inform HRD department or top management; respond frankly to organizational diagnosis surveys; participate actively in discussions arranged by process specialists; and prepare realistic action plans for OD interventions and implement them.

IR (industrial relations), in their turn, develop autonomous work groups; help supervisors to provide support to such groups, develop and conduct role efficacy programs for workers and other staff. HRD play the major role for self-renewal system. They identify subsystems that may need OD; identify managers who can be trained as process specialists (internal resources); conduct organizational diagnosis surveys; and plan and conduct OD interventions and monitor follow-up.

### **Form of HRD Organization:**

Another issue in the organization of HRD system is the determination of HRD organization.

#### **There may be three alternative ways in which HRD functions can be organized:**

1. Performing the HRD functions through the existing HR/personnel department.
2. Performing the HRD functions by creating a new section.
3. Performing the HRD functions through a committee or task force.

Out of these, the second alternative is preferable. Most of the organizations, which have HR/personnel departments, assign the HRD functions to certain individuals working in the department. Grouping these individuals together to constitute a separate HRD section will allow them to focus more sharply on HRD functions which otherwise may be overlooked. Committee or task force may not be better alternative because HRD is a continuous process.

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### **What is Human Resource Development – For Organizational Effectiveness?**

HRD must be accepted as a part of the overall HRM function and not as a cost burden to increase the organization's effectiveness. In order to erase this negativity, a philosophy that is people oriented must be adopted.

**In order to achieve organizational goals in an effective and efficient manner, HRD should focus on the following:**

- i. Developing people's philosophy
- ii. Monitoring HRD mechanism
- iii. Encouraging HRD climate
- iv. Working with unions
- v. Conducting organizational environment surveys.

In a nutshell, it can be said that since people are the most valuable resources for an organization, their development motivates them as well as makes them capable of performing well, at any point of time or situation. On the other hand, neglecting the same would result in obsolescence of their abilities.

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### **What is Human Resource Development – 7 Important Merits (With Outcomes?)**

Human Resource Development is vital to organizations as it helps to improve business performance through the development of workforce, and directing and improving abilities and skills through activities planned to improve organizational learning.

1. HRD Develops Competent Human Resource – HRD develops the skills and knowledge of individual; hence, it helps to provide competent and efficient HR as per the job requirement. To develop employment's skill and competencies, different training and development programs are launched.
2. HRD Creates Opportunity for Career Development – HRD helps to grasp the career development opportunities through development of human skills and knowledge. Career development consists of personal development efforts through a proper match between training and development opportunities with employee's need.
3. It ensures Employee Commitment – Trained and efficient employees are committed towards their jobs which are possible through HRD. If employees are provided with proper training and development opportunities, they will feel committed to the work and the organization.
4. It results in Job Satisfaction – When people in the organization are well oriented and developed, they show higher degree of commitment in actual work place. This inspires them for better performance, which ultimately leads to job satisfaction.
5. It makes Change Management easy – HRD facilitates planning, and management of change in an organization. It also manages conflicts through improved labor management relation. It develops organizational health, culture and environment which lead to change management.
6. It provides Opportunities for Training and Development – Trainings and development programs are tools of HRD. They provide opportunity for employee's development by matching training needs with organizational requirement. Moreover, HRD facilitates integrated growth of employees through training and development activities.

7. It brings about Performance Improvement – HRD develops necessary skills and abilities required to perform organizational activities. As a result of which, employees can contribute for better performance in an organization. This leads to greater organizational effectiveness.

#### **Outcomes of Human Resource Development (HRD):**

- I. People in organizations become more competent because, they become better aware of the skills required for job performance; there is greater clarity of norms and standards.
  - II. People understand their roles better because of increased communication.
  - III. People become more committed to their jobs because there is greater objectivity.
  - IV. People develop greater trust and respect for each other.
  - V. There is greater collaboration and team work which produces synergy effect.
  - VI. People find themselves better equipped with problem – solving capabilities.
  - VII. Useful and objective data on employees is generated which facilitates better human resource planning.
  - VIII. The top management becomes more sensitive to employees’ problems and human processes due to increased openness in communication.
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#### **What is Human Resource Development – Impact of Liberalization and Globalization on HRD?**

Indian economy is a mixed economy, public and private sectors both co-exist. Indian economy was called a protected economy. Indian government did not permit foreign investment in Indian economy. But since 1991, Indian industrial policy was liberalized and multinational companies entered in the Indian market.

#### **Government accepted liberalization due to following reasons:**

- (a) Public sector was not in a position to deliver the goods as per expectation.
- (b) Private sector was performing well even better than public sector and could raise sufficient money from stock market.
- (c) In communist countries the practice of free market was followed and it performed well.
- (d) Globalization of financial market took place rapidly.
- (e) To get loans from IMF and World Bank Indian government followed the directions of these institutions to promote private sector.
- (f) Better experience of development of private sector in countries like South Korea, Japan, Malaysia, etc.
- (g) Foreign investors started investing in Indian capital market.
- (h) Development and marketing of technological resources through multinational corporations.

#### **Keeping in view the aforesaid points Indian government took the following steps in the direction of liberalization, privatization and globalization:**

- (a) New industrial policy abolished all industrial licensing irrespective of the level of investment except for 18 industries related to security and safety concerns.

- (b) Technological agreement and foreign direct-investments were not required to take permission from government.
- (c) Public sector units were allowed to disinvest and raise funds through selling their shares to private sector.
- (d) Competitiveness was increased in the Indian market by reducing import duties and cover provided to domestic firms has been removed.
- (e) For investment purpose non-resident Indians were permitted to invest in India.
- (f) Removal of mandatory convertibility clause.
- (g) MRTP Act and FERA Act were amended.

### **Challenges Faced:**

The supporters of liberalization of Indian economy felt that it will increase the competitiveness of the Indian industry. The competitiveness from outside and inside of India would remove the cover of protection which was provided earlier to the Indian industry. Indian companies were now forced to survive on the basis of their own merits.

It was expected to improve the efficiency of the Indian industry through the use of advanced technology. Indian government also tried to encourage the efficiency through various legal measures.

### **However, due to liberalization and globalization following challenges have been faced:**

- (a) Unemployment rate increased.
- (b) A large number of workers were shunted through retrenchment, lay off and closure.
- (c) Percentage of industry sickness increased.
- (d) Slower growth rate of industry.
- (e) Higher degree of competition in Indian market.
- (f) Tremendous shortage of competent manpower to operate machines of advance technology.

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### **What is Human Resource Development – Future?**

HRD deserves increased attention of both managers and the academicians. HRD in organizations is necessary for effectively coping with changes in the environment, expectations of the new breed of employees, and the need for adjustment to rapid changes in technology. Sustained leadership of organizations is likely to depend on the success of their HRD programs. HRD is also important in the societal context. Lack of development at work is reflected in unsatisfactory relationships in the family and society.

Alienation at work contributes to growing discontent among the young and a feeling of anger for established institutions; positive experiences at work are necessary for developing collaborative societal relationships.

Considering the importance of HRD for organizations, it is necessary to identify the areas or issues that need examination.

### **Some of these are identified here:**

1. What is the difference between traditional personnel functions and HRD? If HRD is merely a change in terminology, the position should be clearly stated. If the two are different, the distinction should be highlighted. Experience shows that even when HRD philosophical reorientation is given to traditional personnel functions, they do not, of their own, lead to development of individuals.

2. HRD will have a greater impact on organizations if it is distinguished from personnel functions. This view is based on the premise that HRD has to be action-oriented and rooted in the problem areas. The scope of HRD is wide and it would be more effective if it is a separate function. The decision to set up HRD as a separate unit will depend primarily on how the programme is conceived and the purpose it meant to serve.

3. How should operators in routine tasks such as clerical employees be involved in HRD? Does the nature of their work contain intrinsic motivational factors? Job redesign has been attempted in some places but the exercise is difficult and time consuming. It is unlikely that large organizations will frequently undertake a job redesign exercise. What- are the other ways of adding intrinsic attributes to clerical jobs?

4. How should a common or shared philosophy develop in a decentralized, widely spread out organization? If the success of HRD is dependent on the conviction that a manager has about people, what are the most effective ways of developing these convictions in a dispersed area? What are the strategies likely to be more useful in the Indian context? These questions would need serious experimentation by managers and academicians alike.

5. How should management identify an appropriate entry point for HRD intervention? What are the diagnostic tools for determining the most appropriate strategy for HRD?

More organizations are now concerned with HRD than they were a few years ago. The difficulty is in translating the concept of HRD into a concrete plan of action. We need in-depth studies and a great deal of experimentation to evolve an appropriate strategy for action.

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HRD needs of the organization should be seriously examined and an action plan for HRD should be prepared. Organizations usually differ in their needs in respect of human resource development. An infant organization's needs of human resource development are not the same as those of a mature organization.

In a new organization where most of its employees are still young and want career paths, there is need to provide more and more opportunities for promotion, advancement, etc. But in an old organization whose employees have reached the end of their career there is need to check frustration to develop alternative forms of work satisfaction, retirement assistance, etc. Once the HRD needs of the organization have been

identified, action plans giving details of the various HRD mechanisms which the organization plans to use may be prepared.

HRD departments should be headed by competent persons. Sometimes the tendency is to appoint a person who is not wanted elsewhere as the head of HRD department. This lowers the credibility of HRD function in the organization and makes people suspect the good intentions of the top head. In fact, only such persons should be appointed as head of this department who have demonstrated their capabilities elsewhere and are of proven reputation and goodwill.

HRD efforts not only promote the above type of climate but also depend on it for their success. Hence periodical surveys may be carried out to examine changes occurring in this climate. Feedback from such surveys could be used to change HRD activities in subsequent years.

Heads of various departments which are dealing with HRD efforts should be encouraged to share their experiences and develop professionally. Behavioral knowledge is growing every day. New frontiers are being reached in the realm of performance appraisal, training, O.D., etc. Hence it is essential that instead of each unit in the organization separately rediscovering the wheel all units pool together their experiences and learn from each other.

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