



## Human Resource Development



### Block – I

**Block Title- Human Resource Development Strategies, Design and Experience**

### Block – II

**Block Title- HRD and Motivation**

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# **Course Contents**

**Course Name: Human Resource Development**

**Course Code-MS 302**

**Course Objective:** The course aims at providing the students the in-depth knowledge of concept and application of development to human resources for organizational excellence.

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**Unit I An Introduction to Human Resource Development**

**Unit II HRD Systems and Structure**

**Unit III Human Resource Development: Strategies**

**Unit IV Role of Line Managers in HRD**

**Unit V Job Evaluation for HRD**

**Unit VI Human Resource Development Practices in India**

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**Unit XVI Performance Management and Human Resource Development**

**Unit XVII Quality Management Practices in relation to HRD**

**Unit XVIII Strategic Human Resource Development**

**Unit XIX Comparative HRD Experiences in Indian and International context**

### **Suggested Readings:**

1. Pattanayak – Human Resource Management – PHI
2. Manpower Planning and Development –Excel Publisher.
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**Block I**  
**Human Resource Development Strategies,  
Design and Experience**

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# **UNIT 1 AN INTRODUCTION HUMAN RESOURCE DEVELOPMENT**

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## 1.1 INTRODUCTION

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Historically HRD has referred to developing human resources in order to increase economic productivity for the growth of the organization as well as the economy. Out of all factors of production, human beings are the most significant and active factors of productions. Other factors of production like capital, materials, building, plant and machinery etc remain inactive and are dependent on human being for their effective utilization.

Human Resource Development is concerned with expansion of human capital within the organization through the development of both the organization and the individual to achieve performance improvement. Human Resource development is the integrated use of training. Organization and career development efforts to improve individual, group and organizational effectiveness. HRD emphasizes on developing key competencies through planned learning activities in individuals to perform current and future jobs in better way and HRD also ensures a match between individual and organization needs.

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## 1.2 OBJECTIVES

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On completion of this unit, you will be able to ;

- Know about Human Resource Development.
- Understand Significance of HRD.
- Identify the Relationship between HRD Mechanism and Process.
- Know about Approaches to HRD

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## 1.3 DEFINITION OF HUMAN RESOURCE DEVELOPMENT

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HRD is a process concerned with an organized series of learning activities designed to produce behavioural changes in the human resources in such a way that they acquire sufficient competency for performing the current as well as the future role. In other words we can say that HRD brings about, "all round development" of the human capital of the organization for contributing their best to the organization, society and the nation.

A few definition of HRD are given below:

According to T.V.RAO, "HRD is process in which the employees of an organization are continually helped in planned way to:

- i. Acquire or sharpen capabilities required to perform various functions associated with their present or expected future role
- ii. Develop their general capabilities as individuals and discover and exploit their own potentials for their organizational purposes

- iii. Develop an organizational culture in which superior-subordinate relationship, team work and collaboration among sub units are strong and contribute to professional wellbeing motivation of the employees.
- According to Ishwar Dayal,” HRD is an approach founded on the belief that people are capable of growth given an environment that facilitates individual growth. Growth is, therefore, important for organization growth. It is to make a person, a total person in terms of skill, maturity, competence, self awareness, adjustment to the environment, and confidence. HRD can be seen as a philosophy rather than as a programme. HRD is both for which prevents growth and which leads to growth.
  - In opinion of Khan,” HRD is the process of increasing knowledge, skills, capabilities and positive work attitude and value of all people working at all levels in a business undertaking.
  - Nadler,” HRD means an organized learning experience, with in time frame, with an objective of producing the possibility of performance change.”
  - The analysis of various definitions, we can say that HRD is the process of developing human capital to acquire the competencies. In an organizational context, HRD is a process by which the employees of the organization are developed in continuous and systematic way to:
    - a) Acquire or develop capabilities required to perform various functions relating to their present and future roles
    - b) Improve their general capabilities as individuals, discover and exploit their available potential for their own and organizational development purpose.
    - c) Improve supervisor-subordinate relationship, teamwork and collaboration among different department in an organization culture and to contribute to the welfare, motivation and pride of employees. Human resource development therefore is defined as the total knowledge, skills, creative abilities, talents and aptitude of an organization’s workforce as well as the values, attitudes and beliefs of the individuals involved.

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## 1.4 NATURE AND FEATURES OF HRD

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1. Planned and Systematic approach: HRD is planned and systematic approach to develop the people. HRD is only subsystem of the organization which is integrated with all the subsystem such as production, finance, marketing etc. HRD is viewed as system consisting of several interdependent and interrelated subsystem e.g. performance appraisal, training, job enrichment, communication etc. In designing a human resource development sufficient consideration should be given to these linkages.
2. Continuous process:-HRD is a continuous and dynamic process which is concerned with development of personnel to face various challenges faced in functioning of the organization. However HRD mechanisms, processes, policies etc differ from organization to organization to suit the needs of the situation.

3. Behavioural Science knowledge:-HRD is an inter-disciplinary approach. As it uses knowledge drawn from the psychology, sociology and anthropology for planning and implementing various programmes for the development of individuals, groups and organizations.
4. Both Macro and Micro level:-HRD is concerned with improving quality of life at micro as well as macro level.HRD is described as the core of all developmental activities in the sense of improvement of quality of life of people of nation. At micro level HRD involves the improvement in the quality of managers and workers so as to achieve greater quality and higher levels of productivity.

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## 1.5 OBJECTIVES OF HRD

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It has the following objectives:-

1. To provide a detailed framework for providing opportunity and overall development of human resources in the organization.
2. To develop the capabilities and talents for handling present job and expected future role
3. Develop the constructive mind and overall personality of each employee
4. Develop and maintain high motivation level of employees
5. To develop strong relation between superior and subordinate
6. Develop the sense of team spirit, team work and inter team collaborations
7. Develop the organization health, culture and climate
8. General systematic information about human resources

### Need of HRD:

1. No organization can grow and survive in the present day environment without the growth and development of its people. In view of the fast development changes HRD is concerned with sharpening the skills and capabilities of the employees to cope with the environment.
2. The need of HRD IS felt to create climate which will improve the work life by overcoming monotony, ensuring better communication and creation of familiar sort of work conditions where creativity of the all the members are fully used.
3. HRD facilitates the integrated growth of employees. It helps employees to know their strength and weaknesses and enable them to improve their performance and that of the organization
4. HRD in any organization can be realistic when the organization believes that the development of the employees is in their own interest. Employees should also be willing to avail of given opportunities for their growth and development and improving performance.

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## 1.6 HRD AT MACRO AND MICRO LEVEL

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- HRD is people oriented concept. Its objective is to help people acquire competencies required to perform all their functions effectively and make their organizations do well. HRD applies to both micro (institutional) as well as national (macro) issues. It is beneficial both at micro and macro levels in developing the new skills and capabilities in human capital for tackling both present and future challenges while realizing organizational goals
- The application of HRD at both micro and macro level is given below:-
  - 1) Macro level: HRD's contribution at the national level has not gained much popularity as yet. At macro level, HRD is concerned with the development of people for a nation's well being. While calculating the national income and economic growth the prospective HRD concept examines the individual's potentialities, their attitudes, aspirations, skills, knowledge etc and establishes a concrete base for economic planning.
  - 2) Micro Level:-At micro level, HRD is concerned with organization's manpower planning, selection, training, performance appraisal, development, potential appraisal, compensation, organization development etc. HRD is well received by the companies' management as they have realized its significance and also its contribution in future for the individual and organization development

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## 1.7 SIGNIFICANCE OF HRD

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Organization can become dynamic, successful and grow when employee capabilities are continuously acquired, sharpened and used. HRD plays a vital role in the success and growth of the organization in the following ways:-

- 1) It helps in the integrated growth of the employees
- 2) It improves the capabilities of the people by making them know their strength and weaknesses and enabling to improve their performance and that of the organization
- 3) It facilitates the creation of an environment where opportunities are available for fuller utilization of the known potentials of the employees. The climate of such an organization is one of the mutuality, trust, collaboration, openness etc
- 4) HRD helps in promoting the team work
- 5) HRD promotes organizational effectiveness by adopting people centered policies
- 6) It insists on the provision of feedback and guidance by the superior to the employees for their improvement of their performance
- 7) HRD generates a lot of useful data which facilitates human resource planning and control

HRD ultimately leads to higher productivity, lower costs and successful growth in the organization.

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## 1.8 INSTRUMENT OR MECHANISM OF HRD (HRD SUBSYSTEM)

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As far as the dimensions/components/subsystem of HRD are concerned, various thinkers and professional have given divergent views and designed the mechanism in different ways. Yet there is unanimity of opinion among HRD practioners regarding some of the instruments. A well designed programme should have the following sub-system:-

- i. **Performance Appraisal:** Performance appraisal is the process of determination of the performance of the employee or a group of employees on given job and also potential for future development. It is formal mechanism for the identification of qualities and weaknesses in an employee in relation to his job performance. The aim of appraisal is to identify the training requirement on the basis of his performance on the job. The process of performance appraisals consists of
  - a. Setting standards for performance
  - b. Communicating the standards to the employee
  - c. Measuring the performance
  - d. Comparing the actual with the standard set
- ii. **Potential appraisal:-**Potential appraisal is used for providing necessary data which helps in preparing career plans for individuals. It aims at development of hidden abilities of the individuals. The objective is to develop employees, generating more skills and capabilities to perform new roles and responsibilities when the organization expands or diversify. Through potential appraisal aa good match is ensured between the employees and the job.
- iii. **Council and Monitoring:** Counseling serves several purposes in any organization. It helps in strengthening the superior and subordinate relationship. Performance counseling means the help given by a superior to his subordinate in improving latter's performance and also help the employees in designing action plans for their overall development and acquiring greater competencies
- iv. **Training:** The success of HRD programmme depends on the quality of training programme. Training is an investment in the HRD process which is beneficial in the short run as well as in the long run. Training is aimed at sharpening the skills, concepts and attitudes for bringing effectiveness in employees. The ultimate objective of the training is to improve efficiency, productivity and administrative effectiveness.
- v. **Career Planning:-** Organization need to devise, develop and implement several initiatives in order to develop their employee's career. It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. Career planning is continuous process

of developing human resources for achieving optimum result. The major focus of career planning should be on assisting the employees in achieving a better match between personal goals and the opportunities that are realistically available in the organization.

- vi. **Role Analysis:**-Jobs have to be analyzed for proper planning of work which is necessary for improving the efficiency. Such an analysis is known as job analysis. Job Analysis is process by which jobs, duties, responsibilities are defined and information of various factors related to jobs are collected and compiled to determine the working conditions, nature of the work, qualities of the person to be employed on the job, position of the job, opportunities available and authorities and privileges to be given on the job etc. A comprehensive job analysis is an essential ingredient in designing sound human resource programme
- vii. **Job rotation:** Job rotation means the shifting of an employee from one job to another within working group so that there is some variety and relief from the boredom of routine. The aim of job rotation is broaden the knowledge, skills and work experience of the employee and turn specialists into generalist. By job rotation, the employees are becomes more flexible and also beneficial for the management gets employee who can perform a variety of tasks to meet the contingencies
- viii. **Quality Circle:** A quality circle is small group of employees doing similar or related work who meet regularly to identify, analyze and solve product-quality problem and to improve general operations. The objective of the quality circle is to improve supervisory skills of the employee like leadership, interpersonal and conflict resolution. The quality circles are relatively autonomous units( ideally about 10 workers) , usually led by a supervisor or a senior worker and the organized as work units. The workers who have shared area of responsibility, meet periodically to discuss, analyze and propose solutions to the ongoing problems
- ix. **Quality of Working Life:**-The quality of the worker's conditions both working and living, influences the worker's satisfaction and job satisfaction to large extent. The HRD system takes care of employee health and well-being of their families by providing them with better working and living conditions which generally promote a healthy atmosphere of development and motivation among employees.
- x. **Reward System:**-The significant task of HRD is to reward employee performance over and above their normal wages and salaries. To develop a loyal and motivated workforce, companies of all sizes must create competitive compensation and benefit package. A Competitive Compensation and benefit package is the key to a company's ability to attract and retain top talent. The organizations also reward the efficient employee for their work which may be termed as incentives. It will lead to better utilization of human resources at all levels which is the cheapest, quickest and surest means of increasing productivity.

- xi. **Organization Development:-**OD is a planned change strategy which aimed at introducing suitable interventions to enable them to respond to their internal and external environment in a proactive manner. OD exercises include team building programme, interpersonal sensitivity, role clarity, management by objective and stress management.
- xii. **Human Resource Planning:-**It is the process aimed at ensuring that the organization will adequate number of qualified persons available at proper time, performing jobs which would meet the needs of the organization and also provide satisfaction to the employees.

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## 1.9 PROCESS OF HRD

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For the development of human resource, management has to put sincere efforts. These efforts are to be put step by step. Like other activities, in HRD also a set of activities are required to be performed in sequence. Therefore, HRD can be called process. The set of activities; need assessment, designing HRD programme and evaluation are to be performed in a chronological sequence. The objectives of HRD process are to find out needs for HRD, create good organizational climate for learning, creating interest in workers to learn and to improve skills, knowledge, attitude, aptitude and competencies of workers to fill the competency gap.

Steps involved in HRD process:-

- 1) HRD needs identification or assessment
- 2) Designing of HRD programme
- 3) Delivery or implementation of HRD programme
- 4) Evaluation of HRD programme

1. **HRD need Identification or Assessment:-**Need assessment is a process by which needs of an organization are identified. Examination of organization, its working environment, jobs, employees and organization performance and market share is done for the purpose of identification of need assessment. These information can be used to identify the gap in knowledge, type of training required to fill up the gap. There might exist a gap between required and existing level of knowledge and skill. This gap may be due to changes in technology. Intense competition, changed legal system and diversified nature of the business. The objective of the need assessment is to identify the areas and knowledge and skill actually required for task performance effectively and efficiently to provide competitive edge to organization competitive situation prevailing in the market. Need assessment can be carried at the individual level, task level and organizational level. Different types of needs are identified. All needs can not be fulfilled. The priority must be decided on the basis of return on investment and effect on individual and organizational performance. The important needs will be fulfilled first. It will ensure optimum utilization of available limited resources.

2. **Designing of HRD programme:** The main objective of organization is to design a suitable HRD programme for people to improve their skill and knowledge so that they can perform better and provide competitive edge over competitors to the company. The designed programme should fulfill the objective of HRD process. It is very tough task to design HRD programme. While designing HRD, a lot of discussion with the experts and top management and employees is required. A proper designed programme can contribute in effectiveness of HRD efforts otherwise it will be useless. Special care is to be taken for designing it. Need assessment will provide inputs for designing the HRD programme. The HRD programme will include the following activities:-
  - a. Setting objective of programme
  - b. Selection of source of trainer
  - c. Development of lesson plan
  - d. Selection of training method
  - e. Material preparation
  - f. Preparation of schedule for programme
  - g. Registration and enrollment for programme
3. **Delivery or implementation HRD programme:-** The next step in HRD process is implementation of HRD programme. In this step whatever is designed and planned is put in action. It is very significant function of HRD manager and has to be executed effectively for effective performance of whole process. The responsibilities will lie on trainer or HRD manager. It will include the following activities.
  - i. Arrangement of facilities:- Training facilities are to be planned. If it is on job training method then study, writing materials, notice-board, communication facilities, computer facilities etc. are required as per the needs of the training method. If the training method is a classroom method then arrangement space, furniture, training and equipment like power point projector, overhead projector, slide projector, notice and keyboards etc. are to be arranged.
  - ii. Arrangement of working conditions:- The physical environment for conducting training should be conducive because it affects the comfort and output of the trainer and trainee. Under poor working conditions better comforts, interests in learning and results can not be expected. Good working condition facilitates the learning process comfortable.
  - iii. Coordination of training activities:- In implementation of training programme, the last step is very important. It will include the activities regarding collection of copies of designed programme, study materials, syllabus announcement of programme, scheduling, informing trainers and trainees regarding date, time and place of training, distribution of required materials to the trainees and supervising when programme is conducted. If there is any change that has to be informed to all the concerned parties. It should be ensured that there should not be any communication gap relating to training activities.

4. **Evaluation of HRD programme:**-In evaluation of HRD programme information can be collected from the concerned parties involved regarding its programme, syllabus ,study materials, facilities made available, trainer skills and behavior, interests of trainers, schedule of conducting training, interests of trainees, benefits to the trainees and other relevant information. During evaluation, If the HRD programme is not working properly, then it is modified as per requirement. The benefits of the evaluation can be judged from the following advantages:-
- i. Information are collected what is happening and it discloses the facts
  - ii. Identifies the problem faced during training programme
  - iii. Assess the cost involved in conducting training programme
  - iv. Find out who is benefited or at least from the programme
  - v. Find out the participant's contribution in the programme
  - vi. Assess the benefits to the organization as a whole and its effectiveness
  - vii. Tries to find out the discrepancies in the programme and suggest remedial actions to make the programme more effective for future

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## 1.10 HRD OUTCOME VARIABLES

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The following are HRD Outcome Variables;

- i. More competent people
- ii. Better developed roles
- iii. Higher work commitment and job involvement
- iv. More problem solving
- v. Better utilization of human resources
- vi. Higher job satisfaction and work motivation
- vii. Better generation of internal resources
- viii. Organizational health
- ix. More team work, synergy and respect in each other

Organizational Effective dimensions:-

- Higher productivity
- Growth and diversification
- Cost reduction
- More profits
- Better image

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## 1.11 THE RELATIONSHIP BETWEEN HRD MECHANISM AND HRD PROCESSES

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The relationship between HRD mechanism and HRD process is explained below:-

- i. HRD mechanism are significant instruments for bringing and strengthen the development process and culture and achieving HRD outcome

- ii. HRD mechanism and subsystem should be designed keeping in view The HRD process and culture
- iii. It should be ensured that top management should give full support to HRD
- iv. The periodic review of The HRD mechanism should be conducted for updating
- v. Some times HRD processes and culture remain in a slow moving process and may take years to establish despite sincere efforts.

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## 1.12 APPROACHES TO HRD

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The main approaches followed by the Indian companies are as :-

- i. People oriented approach
- ii. Reciprocal approach
- iii. Selective approach
- i. **People Oriented Approach:-**The focus of the management is on the development of ability, skills, competency, knowledge and capability of the employees. For this purpose, many Indian companies created a favorable working environment of openness, mutual understanding, trust, cooperation and team spirit was created. The personnel Policies like recruitment, selection, training, promotion, welfare, discipline, retirement etc were prepared in keeping in view the interests of the employees and their family members. Management took initiatives to maintain good personal and industrial relationship with in the company. This approach was adopted by public and private sector units. This approach developed good faith of the employee in the organization. The main features of such organization are :-
  - a. Top level executive develop a team of loyalists and issues are discussed with them privately. They are treated like family members
  - b. Leaders are active in building relationship with the employees at the formal as well informal
  - c. Top executive are given freedom to take decisions independently. They are given high degree of autonomy in the management of the business of the organization
  - d. The welfare facilities beyond legal requirements are also provided for the wellbeing of the employees and family members
  - e. HRD philosophy and practices and matching properly to meet the requirements of present business environment
- ii. **Reciprocal Approach:-**This approach is a mix of business and individual interest. Under present business environment management realized that it is difficult to stay in the competitive situation in the business and sustain organizational performance without development of the employees. The growth of the organization is possible through growth of individuals and HRD is assumed significant for the growth of the organization. The main aim of the HRD programme is the growth of individual as a

total human being. It is aimed at development of the total capability of the person and not only skill required for particular job. The HRD programmes links individual and the organization development together.

- iii. **Selective Approach:-** The main objectives of the programmes can be selective depending upon the situation. It is mainly to meet the requirement of the situation. This approach has been followed by a very few organizations in the past.

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## 1.13 CHALLENGES OF HRD

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External environment is dynamic and social, economic, technological, competitive, government legislation are changing. These changes have a greater impact on the survival of the organization. These changes pose a major challenge to the human resource management. The human resource function has to make a proactive and creative response to the challenges. Some of these challenges are explained under three broad groups are:-

- i. Organization level
  - ii. Work place
  - iii. Human Resource Department Level
- Challenges At the Organization Level:
    - a. Integration of individual objectives with corporate objectives
    - b. How to attain global competitiveness
    - c. Task of keeping the organization dynamic and productive
    - d. Integration of change and development techniques
    - e. Handling of diversified workforce
    - f. Creation of learning environment in the organization
    - g. Motivation to executives in case of reduced promotional opportunities
    - h. Elimination of skill gap created to changes in technology
    - i. Development of an organization culture
  - Challenges at Workplace:-
 

As the workers are working in the organization with different machines, equipment, facilities etc. The following challenges are faced due to rapid changes in the methods, system and technology:-

    - a. Adapting technological changes
    - b. Challenge related to conflict among workers
    - c. Challenges related to grievance
    - d. Challenges of satisfying their social-psychological needs
    - e. Improvement in effective management
  - Challenges at Human Resource Department Level:-
    - i. Challenge to develop human resource strategies in line with organizational goals. The development of the strategies should be based on the information generated by environment scanning

- ii. There must be a focus on process orientation involving development of less formal processes that the line executives can use in managing people effectively.
- iii. Challenge of development of personnel policies. The objective of the formulation of such policies which will the involvement of the human resource system to fulfill the growth and development needs of the employees in the organization. These policies should also meet the requirements of the short term goals of organizational and of long term perspective.

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## 1.14 ESSENTIAL CONDITIONS FOR HRD

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Human resource development is a systematic and planned activity that is managed by HRD executive. This contributes in development of skills, knowledge, capability, attitude, competency of human resource of the organization. HRD function focus is to bridge the gap between the existing and presently required competencies. It can not work in isolation but many factors are responsible for the effective working of HRD activities. Following are the essential conditions to plan and make HRD efforts successful:-

- i. **Positive Attitude:-**The most important condition is that the persons who are involved in HRD efforts should have positive attitude. Because without positive attitude, the concerned person will make the efforts halfhearted and he will also not take the interest in learning. It will be just wastage of time, resources.
- ii. **Willingness to learn:-** The person should be interested in learning more skills and getting knowledge. If the employees are willing to learn new things, learns and then they will use it in their working. It will enhance the productivity of the individual as well of the organization.
- iii. **Favorable Working conditions and culture:-**positive attitude and willingness to learn make the situation easier for the individuals and motivate them to go for learning. The employees are motivated and induced through better facilities, counseling, career development and other favorable policies. As favorable environment provide all the required facilities, it will create desire in the employees to learn new skills and competencies.
- iv. **Support of Top Management:-**The support of the top management is required for making the HRD process successful. If top management is interested then only resources will be allocated and facilities will be provided. Hence the involvement of top management is very essential for HRD efforts.
- v. **Support of Trade Unions:-** Trade unions are group of workers and their objective is to protect the interests of the workers. Trade union leaders must be aware of the benefits to the employees of HRD efforts. The leaders of the union must convince employees to get involved in HRD activities. If union support the decisions of top management then only the resistance of the employees will be avoided

- vi. **Skills of Trainer:**-The organization must provide a well-trained trainer with positive attitude, proper communication skills and knowledge of the job to make the HRD efforts successful.
- vii. **Evaluation:**-Evaluation of the HRD efforts must be done periodically. Then only the effectiveness of HRD can be measured. Suitable remedial action can be taken for removing the deficiencies. Without evaluation, it is not possible to know the shortcoming of the HRD efforts.



### ***Check Your Progress-A***

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#### **Q1. Choose the correct alternative.**

- i. The need for HRD is felt by every organization that is interested in the following objectives to be achieved :
  - a) To sharpen the competencies of the employees
  - b) For growth
  - c) Improving the system and process
  - d) Proper utilization of the human capital
  - e) All of the above
  
- ii. Need Assessment can be carried out at the following level:-
  - a) Task level analysis
  - b) An individual level analysis
  - c) An organization level analysis
  - d) None of these
  - e) All of the above
  
- iii. The mechanism or instruments mainly used for HRD for development of employee competencies, motivation and level of commitments towards accomplishment of the organizational objectives:-
  - a) Manpower planning, recruitment and selection
  - b) Training and development, promotion and transfer
  - c) Performance appraisal, promotion and transfer
  - d) Welfare, reward, counselling, participation, quality circle and quality of work life
  - e) All of the above
  
- iv. A variety of HRD practices were adopted across the world and even in India also. The main approaches followed by Indian companies are identified as :
  - a) Reciprocal approach

- b) Selective approach
- c) People oriented approach
- d) All of the above

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## 1.15 ROLE OF HRD MANAGER/IMPORTANCE OF HRM

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The importance of Human resource Management /HRD manager has also increased due to the following reasons:-

- Globalization
- Enactment of new or amendment of existing Labour legislations
- Development of knowledge of employees and research activities relating to human resources
- Shortage of trained HRD managers at senior level to provide on the job training
- Rapidly Changing technology creating skill gap among employees
- Changing role of trade unions in present time
- Increasing expectation of employees from organization
- Competitive demands of the employees
- Education at the national and regional level are not in a position to meet the requirements of industries

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## 1.16 HUMAN RESOURCE DEVELOPMENT CLIMATE

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Climate is the atmosphere in which person work, support, decide, reward, restrict and find out about others. The “Climate” represents internal environment that conditions the quality of organization, team spirit, commitment and dedication of the persons who are working in the organization. It affects the efficiency and productivity of the employees. Climate also influences the morale and attitude of the people work towards work and the organization as whole. HRD climate plays an important role in development of skill, abilities, and competencies of employees.

Features of HRD climate:-

- Treating the people as the most valuable resource at all levels in an organization
- Developing the competencies of employees
- Employees are willing to change and ready to acquire new skills and competencies
- Open communication and mutual discussion
- Motivating employees to take initiatives and risks
- Climate of trust
- Cooperation and team spirit
- No favor and no fear tendency
- Favorable personnel policies

- Healthy Human resource development practices

### Factors Contributing to HRD climate

Following factors are considered as contributing to HRD climate:-

- Philosophy and style of top management:-**The belief of top management in giving environment of open communication, open mind, encouraging employees in giving suggestions, having faith in the ability of their employees and supporting their participation in management process are contributing to develop positive HRD climate.
- Personnel policies:-** Personnel policies are such which favor the employees and meet their expectation. It will not face any resistance from the employees. The problems like strikes, slow work practices, gheraoes, dharna etc. are avoided. It will create HRD climate
- HRD mechanism:-** In large organization many mechanism like counseling, feedback, welfare, appraisal, training ,reward and career development etc. are used for developing HRD climate.
- Attitude of personnel staff:-**The positive and favorable attitude of the employee help in setting HRD climate. The employees will be in position to manage the development activities and get benefit from it. But if the attitude of the employees is negative, HRD climate will be disturbing.
- Commitment of line managers:-**It is very important to have commitment of line manager for the development of the employees. If the line manager devotes his free time for the subordinate, it will have positive impact in creation and development of HRD climate.

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## 1.17 SUMMARY

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Human Resource Development is concerned with expansion of human capital within the organization through the development of both the organization and the individual to achieve performance improvement. Human Resource development is the integrated use of training. Organization and career development efforts to improve individual, group and organizational effectiveness. HRD emphasizes on developing key competencies through planned learning activities in individuals to perform current and future jobs in better way and HRD also ensures a match between individual and organization needs

The objective of HRD is to provide a detailed framework for providing opportunities for learning, developing the capabilities and focusing on over all development. HRD is very much needed for the survival and growth of organization in the cut throat competition. HRD plays a significant role in making the organization dynamic, successful and facilitates the growth by sharpening the capabilities of the employees.

The relationship between HRD mechanism and HRD process is explained below:-

- i. HRD mechanism are significant instruments for bringing and strengthen the development process and culture and achieving HRD outcome
- ii. HRD mechanism and subsystem should be designed keeping in view The HRD process and culture
- iii. It should be ensured that top management should give full support to HRD
- iv. The periodic review of The HRD mechanism should be conducted for updating

The main approaches followed by the Indian companies are: People oriented, Reciprocal and selective.

External environment is dynamic and social, economic, technological, competitive, government legislation are changing. These changes have a greater impact on the survival of the organization. These changes pose a major challenge to the human resource management. The human resource function has to make a proactive and creative response to the challenges. Some of these challenges are explained under three broad groups are:-

- i. Organization level
- ii. Work place
- iii. Human Resource Department Level

HRD climate plays an important role in development of skill, abilities, and competencies of employees.




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## 1.18 GLOSSARY

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**Approach:** A way of dealing with something.

**Attitude:** The way that you think or behave.

**Capabilities:** The power or ability to do something.

**Challenges:** Something new and difficult that forces one to make a lot of efforts.

**Competencies:** Competencies are the knowledge, skill and other requirement that are needed for someone to perform a job successfully.

**Conducive Climate:** Providing the right conditions for something to happen or exist

**Development:** The process in which someone or something grows or changes and becomes more advanced.

**Process:** A process is a set of activities that interact to produce a result.

**Proactive:** Proactive behaviour involves acting in advance of a future situation, rather than just reacting.

**Training:** The process of learning the skill for doing a particular activity or job.



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## 1.19 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –A

Answers

- i. (e)
- ii. (e)
- iii. (e)
- iv. (d)



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## 1.22 TERMINAL QUESTIONS

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- Q1. Define HRD. Explain its nature and significance.
- Q2. Discuss the essential conditions for effective HRD activities.

Q3. Explain the HRD mechanism in detail.

Q4. Discuss the steps of the process of HRD.



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## 1.23 CASE STUDY

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Mr. A graduated from a reputed management institute in 2018. He joined his father's business which has 2 supervisors, 20 skilled workers and 30 semi skilled workers. He suggested his father for conducting training programs for their developments. But his father said A, I had a chance to observe your working with the staff for the past few days. Although I hate to say but I must say something. You are just too nice to people. I know that your institute has taught you human relation stuff and the importance of training. But these are just theoretical things practically they do not have utility. Training is just wastage of resources and they will learn new things and leave our organization. So better you deal with them as I suggest.

### Questions :

1. Make a brief summary of the problem.
2. If you were A, what would your reaction be to your father's comment?
3. If you were at A's place, how you will change the outlook for employee of your father.

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## **UNIT 2 HUMAN RESOURCE DEVELOPMENT SYSTEMS AND STRUCTURE**

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- 2.1 Introduction**
- 2.2 Objectives**
- 2.3 Meaning of Human Resource Development**
- 2.4 System Approach**
- 2.5 Organization as a System**
- 2.6 Human Resource Development System**
- 2.7 HRD Mechanisms**
- 2.8 Structure of HRD**
- 2.9 Summary**
- 2.10 Glossary**
- 2.11 Reference/Bibliography**
- 2.12 Suggested Reading**
- 2.13 Terminal and Model Questions**

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### **2.1 INTRODUCTION**

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In this unit you learnt about Human Resource Development is concerned with expansion of human capital within the organization through the development of both the organization and the individual to achieve performance improvement. Human Resource Development is associated with expanding human capital within the organization to accomplish performance improvement through the development of both the organization and the person.

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### **2.2 OBJECTIVES**

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After reading this unit you will be able to understand about;

- System Approach to Human Resource Development
- Organization as a System.

- Human Resource Development System.

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## **2.3 MEANING OF HUMAN RESOURCE DEVELOPMENT**

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Historically, HRD has been referring to the development of human resources to boost economic productivity for both the organization and the economy to grow. Human beings are the most important and active variables of manufacturing out of all production factors. Other production factors, such as capital, equipment, construction, plant and equipment, etc., stay inactive and depend on human beings. Developing human resources is the integrated use of training efforts in organization and career development to enhance the efficiency of individuals, groups and organizations. HRD emphasizes the development of important competencies to better perform present and future employment through scheduled learning operations in people and HRD also guarantees that person and organizational needs are matched. It has become hard for organizations to begin, survive, develop, stabilize and excel their company performance with growing worldwide competition. They are under constant pressure to quantitatively and qualitatively enhance their efficiency with cost-effectiveness. To tackle this scenario, the various specialists proposed distinct operations, and leadership acknowledged the growth of people's skills, coordination between people at distinct levels, minimal cost of manufacturing, and productivity improvement. The human resource management priorities have shifted from framing the laws, laws and standing order to encouraging the factors producing motivation and minimizing the variables for maximum capacity utilization. Human Resource Development can be described as a collection of systematic and scheduled operations intended by an organization that offers its members the possibilities and equipment to learn the required abilities and create abilities to carry out the present employment and prepare them for the future role. According to Nadler and Wiggs, in the real world of cost, quality, quantity, accuracy and timeliness, the ultimate goal of HRD activities is "to make a difference." As such, HRD operations do not decrease expenses, enhance quality or quantity, or in any manner benefit the company. It is the on the job applications of learning that ultimately can reduce the costs, improve the quality and so forth.

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## **2.4 SYSTEM APPROACH**

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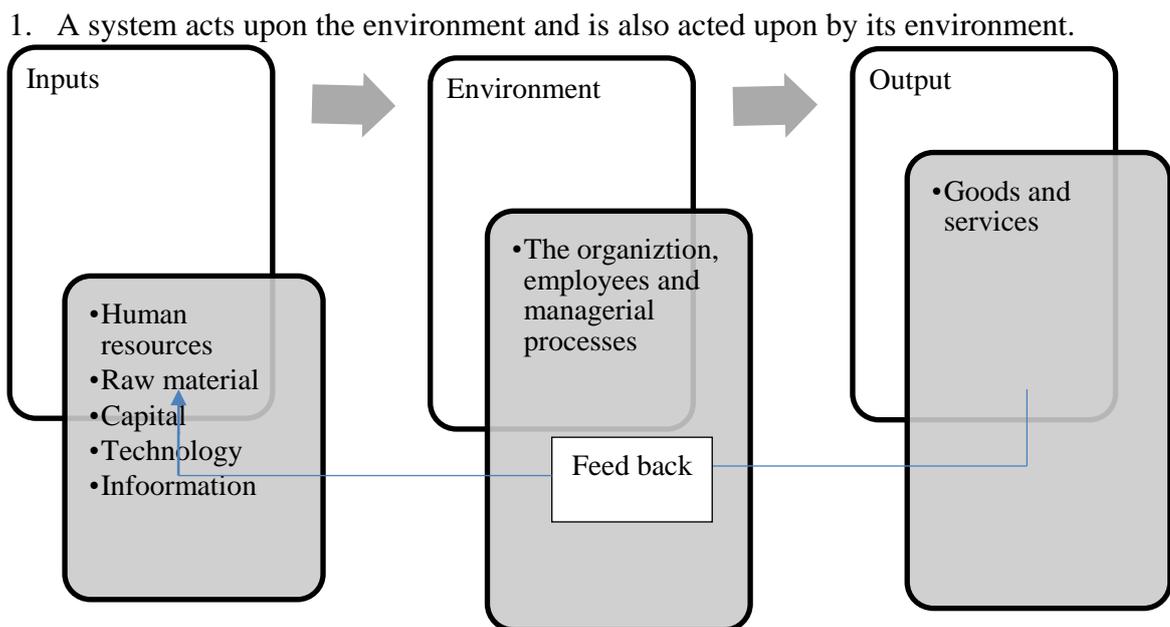
### **System meaning:**

According to Cleland and King, "A structure can be described as an assembly or mixture of a complicated or unitary whole. The subsystem is known as the components, components or

complicated of techniques, plans and procedures. The system view of the organization gives a complete picture of the organization as it considers the organization in its totality.

An organization as a scheme has the following characteristics:-

1. The system is aimed at goals accomplishing.
2. The whole of a scheme is more than the sun of all components.
3. A system is engaged in processing or transforming of inputs into outputs.
4. Different system parts are interrelated and interdependent.
5. A system acts upon the environment and is also acted upon by its environment.



*Fig2.1 Organization as a system*

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## 2.5 ORGANIZATIONS AS A SYSTEM

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A business organization is an open adaptive system as it influences and is influenced by the external environment continuously. It receives inputs from the environment in the form of raw materials, capital information, etc. and transforms them into output (i.e. goods and services) which is supplied to the environment. In order to carry operations effectively it creates different subsystems. The important sub system of a business firm is:-

1. Human resource system---dealing with the human resources
2. Production System----consisting of production function
3. Finance System-----dealing with finance function
4. Marketing System-----looking after marketing function
5. Research and Development System-----monitoring the discovery of new ideas, technology, methods, etc.

Each sub-system has several additional sub-systems. For instance, human resources or staff system (a company's subsystem) has the following sub-system:-

1. Employment
2. Training and development
3. Compensation
4. Maintenance or employee welfare and services
5. Personnel record and research

All of the subsystem must be properly integrated and closely coordinated to ensure that the entire system functions as an integrated whole in achieving the goals the company has set for.

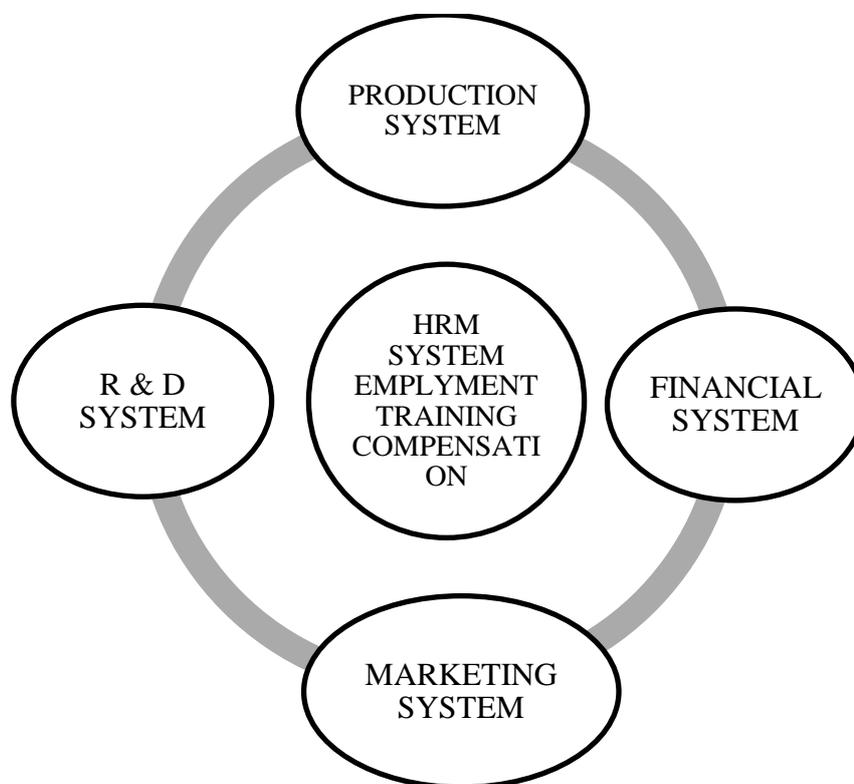
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## **2.6 HUMAN RESOURCE DEVELOPMENT SYSTEM**

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Management of human resources can be seen as transforming staff (inputs) into productive human resources (output). This method activates multiple sub-systems in studies such as jobs, training and growth, compensation, maintenance, staff research, etc. These sub-systems work within the framework of the setting supplied by other company sub-system (production, finance, marketing, research and development, etc.) and the human resource system must adapt to modifications in the organization's sub-systems. There are technological, economic and political forces in the external setting. Therefore, to attain the goals of the human resource system organization, it must be open and vibrant, including job quality, productivity, willingness to alter.

### **INTERACTION BETWEEN ENVIRONMENT, OTHER SUB-SYSTEMS AND HRM:**



*Fig2.2 Organization as a system***2.6.1 MODEL OF HUMAN RESOURCE MANAGEMENT:**

The American Training and Development Study has created a HRM model that classifies human resource development fields or sub-systems.

- (a) Training
- (b) Organization development
- (c) Job design
- (d) Human resource planning
- (e) Selection and staffing
- (f) Compensation
- (g) Employee assistance.
- (h) Labor relations.

These areas contribute to the human resource outputs which include:

1. Quality of work life.
2. Productivity.
3. Readiness for change.

These are the significant variables that every manager should take into account when managing human resources.

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## **2.7 HUMAN RESOURCE DEVELOPMENT MECHANISIM**

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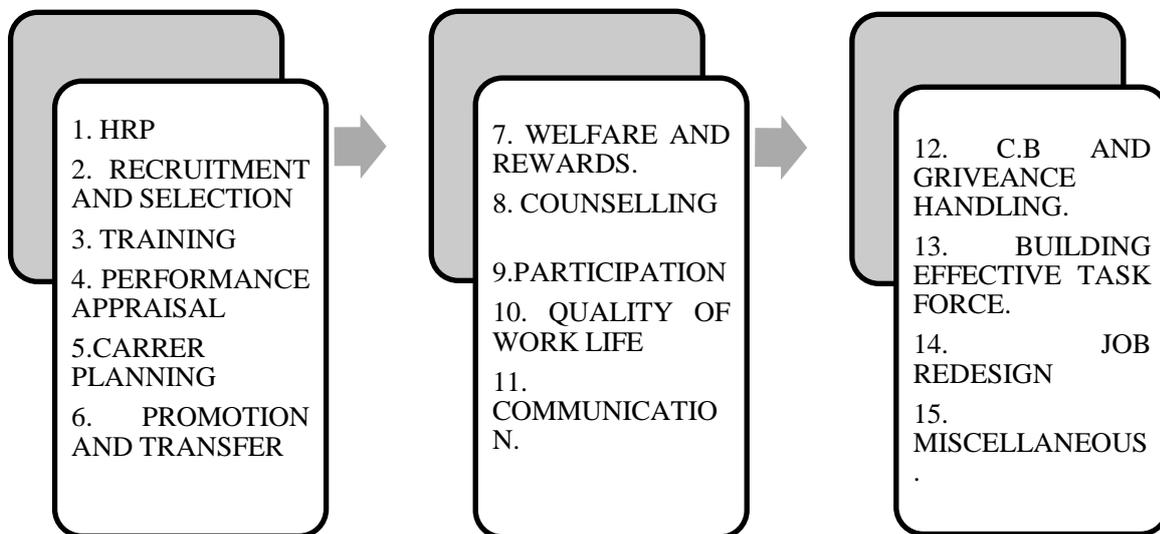
Initiatives were taken in the government and private sector businesses to embrace HRD schemes. They regard HRD as one of the most significant mechanisms for growth within the organization, such as coaching, role assessment, performance assessment, prospective assessment, etc. HRD for workers was in limited way took place in past years. The reasons for slow HRD progress are:

- a. Any effort for development of workers brings trade unions into focus.
- b. Lack of cooperation between HRD and industrial relation in many organizations.
- c. Unfavorable working climate in organizations.
- d. Keeping HRD as issue out of reach of workers.

**HRD MECHANISMS:**

For managerial employees, HRD's primary mechanism is such as training, role assessment, performance assessment, prospective assessment. This mechanism may be appropriate for employee development. Workforce planning, recruitment, selection, training and growth, promotion and transfer, performance assessment, future assessment, welfare and reward,

counseling, participation, quality, quality of work life, assessment of roles, handling grievances, redesign of jobs, change management.



***Fig2.3 HRD MECHANISMS:***

These processes are not exhaustive, and staff can be developed in many distinct respects. All these tools are related to the organization's staff policy. The processes used to develop individuals with distinct capabilities operating at distinct rates are as follows:

### **2.7.1 HUMAN RESOURCE PLANNING**

Human resources are an organization's most significant asset. Careful human resource planning is essential because, unlike other company resources, they are tangible and live. Engagement for long-term connection is always needed from both staff and employers. For different individuals, HR scheduling implies different things. The general agreement, however, exists as it has gained considerable significance owing to technological modifications and qualified workforce scarcity. Replacement of manpower is not like removing and replacing the damaged spare part. The organization nowadays needs individuals with specific abilities, and HR should be aware of the need for the nature of manpower in advance. HR planning is therefore a method whereby the demand for organizational resources is maintained through intentional and systematic intervention in order to mobilize sensible equilibrium with requirements.

**Definition:** To carry out the organization's integrated plan, it is the method of determining the demands for resources and the means to meet those demands.

#### **Need of Human Resource Planning:**

1. **Determine the amount of people to be employed at a new location**-if the organization exceeds the size of its workforce it will carry excess or unused personnel. Alternatively, if contrary misjudgment is made, employees may be overestimated, making it difficult to attain the manufacturing or service targets at the anticipated quality level. The questions normally asked are:

- a. How can output be improved?
- b. What techniques can be used to establish workforce requirements?
- c. Have more flexible work arrangements been considered?
- d. How the needed staff is to be acquired?

2. **Retaining extremely qualified employees must be well trained in order to comprehend and realize the turnover pattern that is required.**

- Monitor the turnover of employees.
- Find out the reasons for this.
- Establish the organization's cost.
- Comparison of loss rates with other organizations comparable.

Management may be unaware of how many good-quality employees are being lost without this knowledge. This will cost the organization directly through the separation, induction bill, but also through long-term capacity loss.

3. **Managing an efficient downsizing program** is how to cut staff while protecting the organization's long-term interests. In these matters, HR planning enables by considering:

- The kind of workforce at the end envisaged.
- The advantages and disadvantages of paths.
- How, during the rundown, the nature and extent of waste will alter.
- Retraining and transfer utility.
- What recruitment rates may be suitable?

4. **Where will executives come from next generation?** This problem is disturbed by many senior executives. Traditional career paths have been seen to vanish. From elsewhere, they had to take senior employees. Comparing the present supply to this amended demand will reveal surpluses and shortages that will allow the organization to take such corrective action;

- Recruiting to meet a shortage of those with senior management potential.
- Allowing faster promotion to fill immediate gaps.
- Developing cross functional transfers for high fliers.
- Reducing staff numbers to remove blockages.

## **PROCESS OF HUMAN RESOURCE PLANNING:**

1. Analysis of business goals and strategic plans.
2. Preparation of inventory of manpower.
3. Projection of manpower.

4. Plans for manpower.
5. Programs of training and growth.
6. Employment planning assessment.

#### **TYPES OF HUMAN RESOURCE PLANNING:**

1. Short-term planning of human resources:
  - Weak induction.
  - The powerful holder.
  - A vacancy unexpected.
2. Long-term planning of human resources:
  - Projecting demands for manpower.
  - Stocking current workforce.
  - Selection and recruitment.
  - Development of manpower.

#### **SUGGESTIONS FOR MAKING HUMAN RESOURCE PLANNING EFFECTIVE:**

1. Integration with plans for the organization.
2. Manpower planning period.
3. Sustaining top management.
4. Effective and reliable system of data.
5. Equilibrated strategy.
6. Operating executive's involvement.

### **2.7.2 RECRUITMENT AND SELECTION**

The purpose of personnel planning is to determine the number and type of persons. It is not possible to recruit in isolation. It requires severe attention from leadership, because without the talent to implement it, any business strategy will fail. Therefore, the recruitment approach requires to be integrated with an organization's general business strategy.

**DEFINITION OF RECRUITMENT**-It is the method of looking for and promoting potential staff to apply for employment in the organization.

#### **RECRUITMENT NEEDS:**

- Planned- the need resulting from organizational and pension modifications.
- Anticipated- are those staff movements that an organization can predict through the study of inner and external trends.

- Unforeseen- resignation, fatalities and accidents offer rise to unforeseen requirements.

### **PROCESS OF RECRUITMENT-**

- This method starts when the staff department gets a recruitment request from any business department.
- Location and development of the necessary amount of sources and type of staff.
- Identification of potential staff with the features needed.
- Develop the methods to attract the applicants desired.
- Use of candidate attraction methods.
- The next step in the process is to attract as many as possible applicants and ask them to apply for employment.
- Evaluation of the recruitment process efficiency.

### **CONDITIONS OF GOOD RECRUITMENT POLICY:**

1. It should be in accordance with the policies of general staff.
2. It should be sufficiently flexible to satisfy the organization's evolving requirements.
3. It should provide work safety for staff.
4. It should incorporate the requirements of the organization and the employees.
5. It should match employee characteristics.
6. It should emphasize the need for job analysis to be established.

**CONSTRAINTS AND CHALLENGES OF RECRUITMENT:** In practice, the best applicant can never be freely selected by any manager because different variables affect such selection. Finding and selecting appropriate applicants for work openings is not always simple, as due to several limitations, the appropriate applicants may not have been encouraged to apply.

- a. Image of the organization.
- b. Unattractive job.
- c. Internal policies of the organization.
- d. Budgetary support.
- e. Government interference.

**SELECTION:** It is vital to appoint appropriate individuals for different employment. Selecting the incorrect applicant will result in the loss of time and money earned during this phase. It also results in absenteeism and withdrawal.

**DEFINITION OF SELECTION:** It is the method in which job applicants are split into two groups, those to be given a job and those not.

**PROCEDURE SELECTION:** It comprises of a sequence of techniques by which extra data about the applicant is secured.

Selection procedure essential: the selection procedure should be ready to suit the requirements of the organization. If the following criteria are met, the operation will be effective:

- There should be enough number of applicants from whom it is possible to select the necessary amount of candidates.
- Some individual should be allocated the selection power.
- There should be some staffing standards that can be compared with potential employees

### **SIGNIFICANCE OF PROCEDURE SELECTION:**

- Acquisition of qualified employees.
- Reduction of training costs.
- Solution to staff issues.

### **SELECTION PROCESS:**

1. Internal and external environment.
2. Reception.
3. Preliminary interview.
4. Blank application form.
5. Selection tests.
6. Selection interview.
7. Checking references.
8. Final selection.
9. Physical examination.
10. Job offer.
11. Contract of employment.
12. Evaluation.

## **2.7.3 TRAINING**

Each organization requires the services of qualified individuals to systematically carry out the operations. The rapidly evolving technological growth is making employee knowledge obsolete. To deal with the requirements of employment, they involve continuous training. They need to be given training after selecting staff. Recruiting qualified individuals may not always be feasible. Separate departments are created for employee development within the organization.

**Definition:** Training is an organized, systematic development of understanding, abilities, attitudes that and person requires to perform a task or job properly.

### **Objectives of training:**

- It enables to create fresh and old employees ' capacities and capacities by enhancing their abilities and expertise for better professional, technical, sales or manufacturing roles within the organization.
- It enables current staff in their current work tasks to improve their performance levels.

- The goal of coaching is not only to provide fresh expertise and work abilities, but also to create an awareness of their responsibilities and obligations within them.
- It seeks to make the organization more efficient and effective.

### NEED AND IMPORTANCE OF TRAINING:

- **Increased productivity**—helps to improve employee performance. Increased skills and effectiveness lead to improved manufacturing amount and quality.
- **Higher morale employee**—a qualified worker stems from his work happiness and job satisfaction. When the performance is up to the mark, he feels pleased. This provides him satisfaction with ego and safety at work.
- **Less oversight**—less oversight will be needed for the qualified employee. For minute information, he will not be dependent on the supervisor and may perform his job accordingly.
- **Less waste**—untrained employees may waste more materials, harm machines and equipment and cause accidents, while qualified employees may understand the art of machine operation.
- **Easy adaptability**—fresh strategy to job will involve technological advances. The techniques are undergoing a constant change. A qualified employee may alter more than the untrained.
- **Reduced turnover and absenteeism** – employment turnover and absenteeism are primarily caused by work discontent. He will take a keen interest in the work when the employee is correctly educated and can drive fulfillment. Training helps to reduce the absence of work by enhancing job satisfaction.

### BENEFITS OF TRAINING TO ORGANIZATION:

- ✚ Improves the working-class morale.
- ✚ Helps build a better picture of the company.
- ✚ Fosters confidence and authenticity.
- ✚ Improves relationships with labor leadership.
- ✚ Aids to develop indoor promotion.
- ✚ Helps staff to adapt to change.
- ✚ Aids in conflict management.

### STEPS IN SYSTEMATIC TRAINING PLAN:

- Determining requirements for training.
- Establishing policies on training.
- Setting training goals and objectives.
- Preparing the budget of training.
- Decide on the place of training.
- Decide on the methods and techniques to be used in training.
- Determination of training assessment techniques.

### TRAINING METHODS AND TECHNIQUES:

**A. ON THE JOB TRAINING.****B. OFF THE JOB TRAINING.**

**ON THE JOB TRAINING:** It's the core and soul of all business and industry training. It is sometimes referred to as store training and the most universal form of growth of staff. This is a traditional technique intended to maximize learning while enabling the employee to conduct his work under qualified worker oversight and guidance. On the work training techniques there are several kinds of techniques that are as follows:

1. **Training for job instructions**-this method was created during the Second World War. It is designed to educate employees how to do their present employment. A coach, supervisor or colleague can function as a coach. The steps are as follows:
  - The trainee gets an overview of the job, its purposes and required results with a clear focus on training significance.
  - The trainer shows the task to offer a model to the worker to copy.
  - The trainee shall then be told to copy the demonstration of trainers.
  - Finally, without oversight, the worker does the work separately.
2. **Coaching**- On work coaching is an efficient strategy that is essential and potential. It's kind of daily training and feedback from their direct supervisors to staff. It includes going through the learning process. Coaching efficiency relies on the coach's patience and communication skills. He must take into account:
  - Explain suitable methods to do stuff.
  - Make it clear why certain actions are being taken.
  - Everyone correctly state the findings.
  - Offer alternative possibilities.
  - Provide recommendations whenever necessary.
  - Follow up.
3. **Mentoring**- this is a distinct type of technique of practice. Here, the senior individual assumes the obligation to train and groom the junior individual. A mentor functions as a guide, professor, supporter, etc. A good mentor is required to:
  - Listen to him and comprehend him.
  - Challenge your intellect and boost the process of learning. ??
  - Coach. ·
  - Build confidence in yourself. ·
  - Provide wise advice.
  - Use examples to teach.
  - Act as a template. ·
  - Experience shares. ·
  - Promotion of offers.
4. **Position rotation**- involves an expansion of the organization's trainee background. If the trainee rotates from one job to another periodically, he will acquire a particular background. He gets a better feeling of the goals and interests

of his own profession. Rotation enables trainees create relationships within the organization with a big amount of people and promotes future departmental collaboration. In order to obtain the highest outcomes from this technique, it should be tailored to individual trainee requirements, capacities and not the normal sequence all trainees undergo.

5. **Apprenticeship**-it can be traced back to medieval times when those who wished to know trade abilities used to bind themselves under his guidance to master craftsman learning by doing the job. In today's organization, apprenticeship training is a structural method whereby by combining classroom directions and on - the-job training, individuals become qualified employees.
6. **Committee tasks**-here, trainees are asked to carry out unique assignments and solve real organizational issues. Sometimes a task force is developed that consists of a number of trainees representing various organizational tasks. They also comprehend the organization's personalities, problems, and procedures. Managers should, however, know very well that commission tasks could become a notorious waste of time.

**B.OFF-JOB TRAINING METHODS:** here, trainees have to leave their workplace and devote full time to training. Methods as follows:

1. **Vestibule training**-a training center is set up here called the vestibule and the actual working conditions are duplicated. Expert trainers are hired with the assistance of equipment and machines that are identical to those used in the workplace to provide instruction. This technique is used when big numbers of staff are required to be trained rapidly as required as a consequence of companies or sectors expanding their company operations, although it is useful as a preliminary to on - the-job training.
2. **Training in apprenticeship**-this technique is the oldest and most frequently used technique of training in industrial crafts, trades and technical fields. Trainees in the training sectors are supplied with practical expertise and learning in this technique. In India, this aim has been set up by government industrial training institutes. The objective of this training is to create a comprehensive craftsman.
3. **Classroom-training**- which places the trainee in the classroom is the traditional way of education. It occurs either within the organization or it may be universities, schools or professional associations that are chosen externally. The primary objective is to blend the guy away from his working setting, with males in comparable situation to his own, and as a consequence bring about change in his attitude, able to look at issues differently. This technique can be used to teach ideas and solve problems. It is also helpful for training programs for orientation and security.
4. **Practice training**-a joint training program for internship training, academic organizations and company companies. For the period outlined, selected applicants conduct periodic trials. They also operate to gain practical understanding and abilities in some plant or office. This technique helps to ensure healthy theory-practice equilibrium.

5. **Conferences**-this is the preferred technique of practice. In their training programs, many organizations have embraced guided debate form of meetings in order to escape the restriction of the technique of reading. The respondents here pool their thoughts and experiences to arrive at enhanced techniques of problem-solving. Conferences may include buzz sessions that divide conferences into small group for intensive discussion.

6. **Playing the role**- it is human interaction technique that includes realistic conduct in imaginary circumstances. Playing a role includes doing, doing and practicing activities. The trainee performs some characters ' part. A trainee can expand his knowledge by playing roles by attempting distinct methods.

7. **Programmed learning**- programmed learning is a step-by-step learning method consisting of:

- a. presenting the trainees with issues, facts.
- b. Allowing reacting to the trainee.
- c. Feedback on the precision of the responses.

C. The training method was revolutionized by **ELECTRONIC TRAINING**-computerized and internet-based instruments. It involves:

1. Audio-visuals
2. Training based on computers.
3. Support system for electronic efficiency
4. Learning based on the Internet and distance.

#### **2.7.4. PERFORMANCE AND POTENTIAL APPRAISAL**

once an employee has been chosen and trained to operate, management would like to see how he is doing his job. It enables in evaluating employee efficiency and evaluating the organization's recruitment and training techniques.

**DEFINTION:** Performance Appraisal is the systematic, regular and impartial rating of the excellence of an employee in issues related to his current job and his potential for a better job.

##### **FEATURES OF PERFORMANCE APPRAISAL:**

1. IT is a systematic process that involves assessing the strengths and weaknesses of the employee.
2. It is a systematic description of the strengths of the employee in terms of work.
3. The assessment is ongoing and ongoing.
4. It seeks to secure the data needed to achieve goals.
5. It can be either formal or casual.

**PROCESS OF PERFORMANCE APPRAISAL:**

**Fig 2.4 PROCESS OF PERFORMANCE APPRAISAL**

**METHODS OF PERFORMANCE APPRAISAL:****A. Traditional methods.**

- Confidential report.
- Graphic scales.
- Straight ranking.
- Paired comparisons.
- Grading system.
- Group appraisal.
- Free essay method.
- Field review.
- Work sample tests.

**B. Modern methods.**

- Assessment Centre
- Human resource accounting
- Behaviorally anchored rating scales
- Management by objectives
- 360 degree performance appraisal

**ESSENTIALS OF AN EFFECTIVE APPRAISAL SYSTEM:**

- ✚ **Mutual trust and trust**-For an efficient scheme, an atmosphere of mutual trust and trust is required. The issues must be discussed honestly by both the manager and subordinate.

- ✚ **Reliability**-The top management needs to generate a climate of credible assessment across the organization.
- ✚ **Validity** assessments must meet the validity requirements by evaluating what they are meant to measure.
- ✚ **Specific goals**-the assessment should be intended for particular goals. The goals should be timely, meaningful and open.
- ✚ **Standardization**-forms of assessment, processes, technique administration, ratings, etc. should be standardized as assessment choices impact all group staff.
- ✚ **Feedback**-the findings of the evaluation should be communicated to the staff instantly, especially when they are negative, so that they can attempt to enhance their output.
- ✚ **Individual variations**-Individual differences in the organization should be correctly acknowledged when developing an assessment scheme.
- ✚ **Review and appeal**-appeals against appraisals should be made to guarantee that staff and their unions are trusted.

**POTENTIAL APPRAISAL**-a person's prospective relates to his unused skills. It is the latent ability in future positions to fulfill greater commitments and duties. Employee potential assessment is a very significant task for HR executives. It helps to determine an employee's potential by:

- Present evaluation of performance —
- Analysis of personality characteristics. ·
- Reanalysis of past performances. ·
- Taking into account age and skills. ·
- Consideration of previous experience and unused abilities and expertise.

## 2.7.5 CAREER PLANNING

A individual occupies a series of roles in an organization at distinct levels during his lifetime is called a career. These aspirations are the guiding force for individuals. An individual with certain expectations and ambitions joins an organization. In turn, organization offers staff with assistance for their development through a conducive setting. HRD's main thrust in the favorable setting is to bring about the change in organizational culture. Honesty, openness and personal development, career and growth for all staff will be the primary areas. Subsystems would guarantee individual growth and the growth of sense of engagement through the conducive culture.

Planning for a career is a slow and participatory method. The career planning involves both people and the organization. This career planning will assist staff plan their career within the organizational demands according to their capacities. The entire process is further broken down into two components:

### a. Career planning- includes:

- Preparation of workforce stock at distinct rates in the organization.

- Finding future manpower requirements through human resource planning at distinct levels.
- Develop a career route for various kinds of staff.
- Preparing training and staff growth plans at distinct rates for staff of distinct categories.
- Employee advancement plan.
- Review planning and evaluate the plan's efficiency.

**b. Career development includes:**

- Supporting staff in the organization to evaluate their career requirements.
- Publishing career paths
- Matching organizational career possibilities.

### 2.7.6 PROMOTION AND TRANSFERS

Promotion and Transfers are the activities by which it is possible to make adjustments to the size of a company's workforce to cope with changing situations. **DEFINITION:** a promotion is an employee's transfer to a job that pays more cash or has a preferred position.

#### PURPOSES OF PROMOTION:

- To place the worker in a situation where the business will have a larger value.
- To create an employee's competitive spirit and zeal for acquiring skills and expertise.
- Develop inner employee sources that are prepared to take up employment at greater organizational levels.
- Develop self-development of employees and make them await their promotional conditions.
- Building employee allegiance and boosting their morale.
- To reward staff who are dedicated, faithful and worthy.

#### PROMOTION BASES:

- Promotion based on seniority.
- Merit as a promotional grounds.
- Based on seniority cum merit

**TRANSFER**-the work allocation is changing. It includes transferring employees from one job to another without any significant changes in their duties, responsibilities, etc.

**Definition:** Transfer is job change where fresh employment is significantly equivalent to old in terms of pay, status and duties.

#### PURPOSES OF TRANSFER:

- To fulfill the demands of the organization.
- Comply with demands from staff.
- Ensuring better employee utilization.
- Making staff more versatile.

- Workforce adjustment.
- Providing assistance to staff.
- Conflict reduction.
- Criminalizing staff.

### **2.7.7 WELFARE AND REWARDS**

Employee welfare is the employer's attempt to create employees' current working, living and cultural circumstances beyond what is needed by law, sector customs and market conditions. The wages paid to staff in the extremely inflationary economy are not sufficient to satisfy day-to-day demands.

It is necessary to assist staff at this important juncture by offering them with multiple services such as health, medical and education. Organization would benefit in the long run in this manner. It is further split into:

- According to the Factories Act, 1948, statutory welfare measures such as water, shelter, canteen, medical and storage.
- Voluntary measures such as transportation, housing, medical services, credit, recreation and uniform equipment.

Management also uses reward as an instrument for the growth of human resources. Any HRD effort aimed at improving employee performance must consider the appropriate scheme of reward. Employees must be compensated and acknowledged for better results. It is also important to pay attention to person and team benefits. In addition, the reward system generates interest in gaining fresh skills. For the reward scheme, the following should be regarded:

- Letter of appreciation.
- Additional wage increases.
- Rewards for an excellent job.
- Oral praise for staff in duties.
- Rewards for cash.
- Promotions.

### **2.7.8 COUNSELLING**

It implies listening to employee issues and proposing measures to be taken to solve issues. Guidance and solving their issues is a significant mechanism. Consulting sessions must be performed at periodic intervals for advice and problem solving. It will be better if the organization has trained counselors. Counselor must propose the alternative to the issue at the earliest, as it would assist staff to be tension-free and to be happy with the work. It is suggested that advice sessions should be performed at the organization's greater and lower levels. The counseling session can even be expanded to employees' private and family lives.

### 2.7.9 PARTICIPATION

Participation of employees is an essential step towards industrial democracy. It is a vehicle that we can use to achieve the industrial democracy's target. Management involvement of workers improves productivity, efficiency, improved relationships. Participate in decision-making in this worker and take the decision together. It can only be defined as communication and consultation that keeps staff informed about the organization's affairs, either formal or informal. There are distinct forms of involvement. These are job committees, joint management board and wide-ranging presentation. In this respect, steps taken by the government were regarded to be public coercion

### 2.7.10 QUALITY OF WORK LIFE AND QUALITY CIRCLE

It seeks to change the entire organizational environment by humanizing job, individualizing organizations and altering the structure of structure and governance. It takes into account the workers ' socio-psychological requirements. It aims to build such a culture of engagement to work that will guarantee greater productivity and job satisfaction.

**DEFINITION:** QWL IS THE DEGREE to which organizational work adds to its members ' material and psychological well-being.

#### QWL SCOPE:

- Compensation. .
- Health, safety and security.
- Security for the job.
- Designing a job — Social inclusion.
- Social work significance.
- Scope for improved career possibilities.

#### IMPROVING QWL TECHNIQUES:

- Flexible job schedules.
- Redesign of the job.
- Development opportunities.
- Autonomous working groups.
- Participation of the employee in leadership.
- Security for Job
- Fair justice.

**QUALITY CIRCLE:** in the workplace, it is a tiny group of individuals who willingly carry out quality improvement operations. The individuals on the factory floor are near to the issues that interfere with providing a quality product and meeting the schedules of manufacturing. The alternatives created externally will not be readily embraced by the individuals at the job centre.

#### CHARACTERISTICS OF QUALITY CIRCLE:

- Sometimes it comprises of a tiny group of individuals who usually operate in the same location.

- These organizations meet regularly and discuss the issues experienced in improving quality.
- First, they recognize issues and then attempt to discover alternatives.
- These are individuals' voluntary association.

### 2.7.12 GRIEVANCE HANDLING

Human conduct varies from individual to individual. Every worker has certain expectations that the organization he works, he believes, must fill. Management is not able to fulfill all employees' emotions and ego.

**DEFINITION-** Grievance is any dissatisfaction or sense of injustice that is brought to management's attention in relation to one's work position.

#### FEATURES OF GRIEVANCES

- A grievance represents discontent with any regard to the organization for injustice.
- Unhappiness must emerge from jobs.
- Unhappiness may occur from true or imaginary factors.
- A grievance occurs only when a worker feels that he was unjustified.
- The grievance results from perceived failure to fulfill one's expectations.

#### FORMS OF GRIEVANCE:

- a. Factual Grievance.
- b. Imaginary Grievance.
- c. Disguised Grievance.

#### CAUSES OF GRIEVANCES:

- ✚ **Working circumstances grievances-**
  - Poor workplace physical conditions.
  - Worker disagreement with the work.
  - Unplanned timetable shifts.
  - Proper instruments are not available.
  - Poor instant boss connection.
- ✚ **Management policy grievances-**
  - Wage rate and salary payment method.
  - Leave.
  - Overtime.
  - Deliveries.
  - Promotion
- ✚ **Over-ambition grievances arising from:**
  - Privatemaladjustments.
  - Too much self-esteem.
  - The attitude towards life is impractical.
  - Self-esteem poor.
- ✚ **Violation grievances-**

- Collective bargaining agreement.
- The legislation of the central or state.
- Rules and regulations of the company.

### **IMPORTANCE OF GRIEVANCE HANDLING**

1. The handling of grievances promotes the human issues to be carried out.
2. A grievance scheme provides employees the chance to express their emotions, concerns and unhappiness.
3. The leadership gets to understand the conduct and attitude of the superior towards their subordinates with the assistance of an efficient grievance scheme.

### **ESSENTIALS OF SUCCESSFUL GRIEVANCE HANDLING:**

1. Legal sanctity
2. Acceptability
3. Unambiguity
4. Simplicity
5. Promptness
6. Training
7. Follow-up

### **2.7.12. COMMUNICATION**

It is a method in which data pertaining to the operations of the organization is transmitted from one party to the other. Different jobs are carried out by individuals working at varying rates in the organization. Therefore, to accomplish the organization's goals, a higher degree of coordination is needed. Managers spend a lot of communication time. In order to make effective use of human resources, it is the connection between leadership and unions, employees and management and employees. Working in data void is not feasible. If leadership places straight forward emphasis on sharing data with the staff. the well-informed staff plays their part more effectively. This will prevent emails and gossips that are unfavorable. Effective communication automatically eliminates employee misunderstanding, frustration, and distrust. This mechanism can be used by both management and trade unions for HRD. Importance of efficient communication was realized in most organizations.



***Check Your Progress-A***

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**Q1. What do you mean by Human Resource Development?**

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**Q2. Discuss System Approach to Human Resource Development.**

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**Q3. What do you mean by Human Resource Development System?**

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**Q4. Consider the development dimensions in above section and describe how these do HRD functions are carried out in your organization.**

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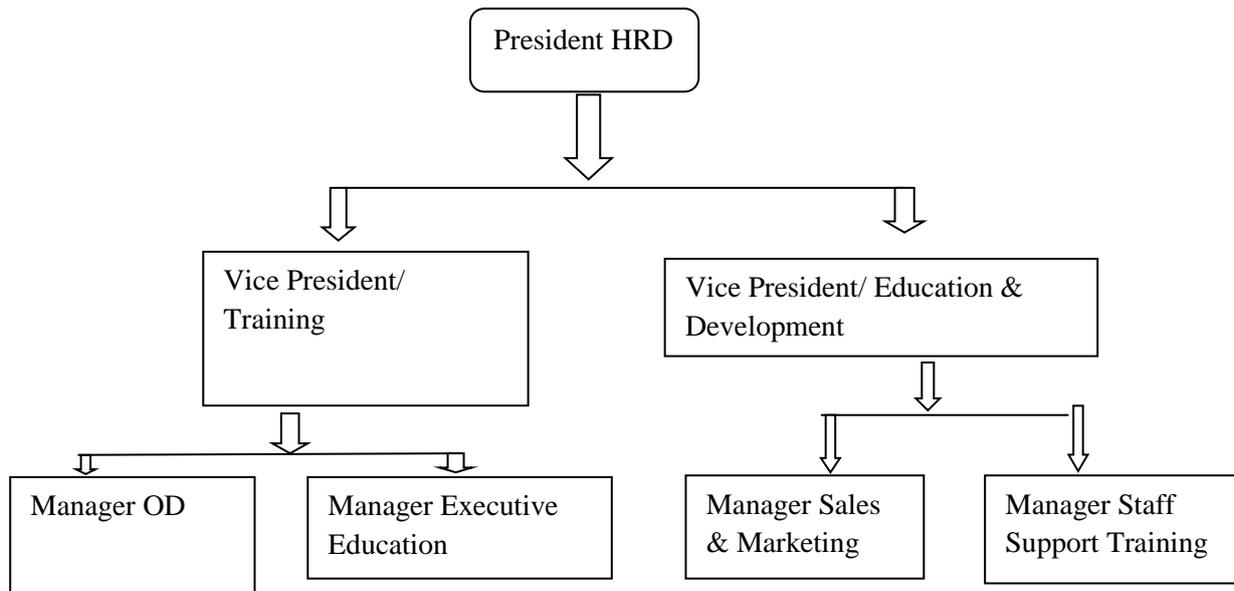
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## **2.8 STRUCTURE OF HRD**

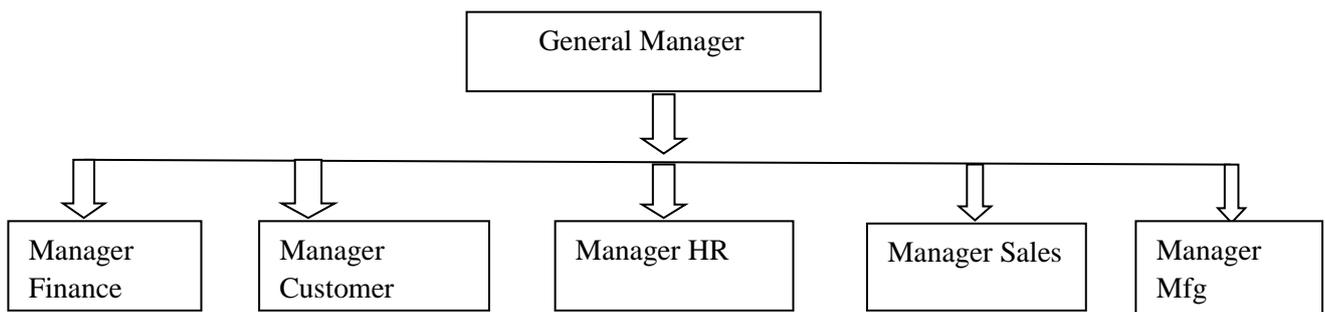
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The structure of HRD depends on how effectively the plans for the organization are made. Here we are providing three different structure of an organization to know how the functioning of HRD works:

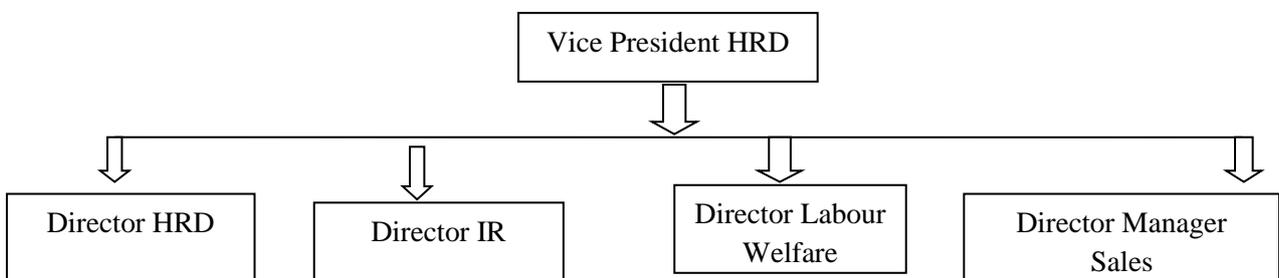
### **2.8.1 ORGANIZATIONAL CHART FOR LARGE COMPANY**



**2.8.2 ORGANIZATIONAL CHART FOR INTEGRATED HRD:**



**2.8.3 ORGANIZATIONAL CHART FOR HRD AS SEPARATE DEPARTMENT:**



**Fig 2.5 Organizational Charts**

In short, we can say that the structure of the organization differs in different ways, such as size, nature, philosophy and attitude. In each organization, however, these varying principles are followed while structuring the HRD department

- Developing an HRD identity that may or may not include other staff tasks.
- Establishing the legitimacy of the HRD function that can be entrusted to HRD at greater levels of accountability.
- Integration and differentiation balancing. Only by not diluting the HRD features as demonstrated in Chart 3 can differentiation be ensured. Similarly, HRD functions can be diffused with other significant corporate activities such as marketing, manufacturing as shown in Chart 2.
- Connections between inner and external structures must be ensured with the HRD department during structuring.
- Finally, the structure should be so that the surveillance mechanism can be maintained.

Basic principles of the American Training and Development Society (ASTD), while describing the various roles of HRD executives governing the HRD scheme:

- ✚ Strong feedback and strengthening mechanisms should be developed.
- ✚ Qualitative and quantitative decisions should be balanced
- ✚ Whether internal or external, the system must balance the requirement.
- ✚ The scheme must be introduced in a phased way.

#### **2.8.4 PRINCIPLES OF AN HRD SYSTEM:**

- Helps the business to boost capacity including health organization, human resource development, etc.
- Helps people to acknowledge their potential
- Helps people to maximize autonomy.
- Facilitated by delegation decentralization.
- It makes participatory decision-making easier.
- The balance between inner and external assistance should be maintained.

#### **2.8.5 CHANGING BOUNDARIES OF HRD:**

Many modifications in the HR function have occurred over time. The word Personnel Function was slowly substituted by the word Human Resource or HR Function, and Personnel Departments and Personnel Managers were re-designated as Human Resource Departments or HR Managers. The status of the HR function has been greatly enhanced throughout the globe, especially in India. Lifting the HR role to the corporate director level and representing HR directors on the board are two important indicators of people's acceptance as a resource and company partners.

- Reorganization and reorganization, including downsizing, restructuring, flattening, outsourcing, etc.
- Management of mergers and acquisitions by altering HR policies, realigning and rewriting HR policies and procedures.
- Initiating and managing quality projects, including quality circles, tiny group operations, ISO certification, etc.
- Conducting a range of studies, including climatic surveys, employee satisfaction surveys, and internal customer satisfaction surveys and benchmarking with rivals and others worldwide.

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## 2.9 SUMMARY

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The human resource management priorities have shifted from framing the laws, laws and standing order to encouraging the factors producing motivation and minimizing the variables for maximum capacity utilization. Human Resource Development can be described as a collection of systematic and scheduled operations intended by an organization that offers its members the possibilities and equipment to learn the required abilities and create abilities to carry out the present employment and prepare them for the future role. You also learnt that a business organization is an open adaptive system as it influences and is influenced by the external environment continuously. For managerial employees, HRD's primary mechanism is such as training, role assessment, performance assessment, prospective assessment. This mechanism may be appropriate for employee development.



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## 2.10 GLOSSARY

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**Recruitment**-It is the method of looking for and promoting potential staff to apply for employment in the organization.

**Selection:** It is the method in which job applicants are split into two groups, those to be given a job and those not. Training is an organized, systematic development of understanding, abilities, attitudes that and person requires to perform a task or job properly.

**Conductive Climate:** Providing the right conditions for something to happen or exist

**Development:** The process in which someone or something grows or changes and becomes more advanced.

**Grievance:** Grievance is any dissatisfaction or sense of injustice that is brought to management's attention in relation to one's work position.



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## 2.13 TERMINAL QUESTIONS

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- Q1. What are the principles in designing a HRD system?
- Q2. Write an overview of the changing boundaries of HRD?
- Q3. Discuss HRD Practices and Management Philosophy In India.

### Practical Questions

- Q1. Review top management assumptions about individuals working in your organization or any organisation you know well.
- Q2. Comprehend social organization through HRD beliefs and leadership philosophy in your organization or any organisation you know well.
- Q3. Examine the nature of the variations in the organization's leadership philosophy towards government and private staff.
- Q4. Review the nature of the connection between HRD activities involving planning, recruitment, choice, performance assessment, training and growth,

career management and benefits, and management philosophy in private and public sector organizations.( We assume that HRD practices are considerably linked to philosophy management in terms of planning, recruitment, selection, performance assessment, training and growth, career management, and benefits).

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## **UNIT 3 HUMAN RESOURCE DEVELOPMENT: STRATEGIES**

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- 3.1 Introduction**
- 3.2 Objectives**
- 3.3 Meaning and definition of features**
- 3.4 Features of strategy**
- 3.5 Level of strategy**
- 3.6 Role of strategy**
- 3.7 Formulation and Implementation of Strategies**
- 3.8 Meaning and objective of HR and HRD Strategies**
- 3.9 General HR strategies**
- 3.10 Specific HR Strategies**
- 3.11 HRD strategies**
- 3.12 Formulation of HR strategies**
- 3.13 Summary**
- 3.14 Glossary**
- 3.15 Reference/Bibliography**
- 3.16 Suggested Reading**
- 3.17 Terminal and Model Questions**
- 3.18 Case Study**

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### **3.1 INTRODUCTION**

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Of all the resources, Human resources is the most significant and the only active factor of production. All other factors like capital, materials, building, plant and machinery etc. remain inactive unless there are competent people to utilize them for producing goods and services desired by the society. Developing human resources, upgrading their skills and extending their knowledge and competencies would lead to organizational development. Human

Resources develop is the key to enhancing and effective utilization of intellectual, technological and entrepreneurial skills of human resources. HRD is described at the core of all developmental efforts in the sense of improvement of quality of the life of the people at the nation. At the micro or organizational level, HRD is concerned with the improvement in the quality of managers and workers so as to achieve greater quality and higher level of productivity. HRD is a process concerned with organization series of learning activities designed to produce behavioral changes in the human resource in such a way that they acquire desired level of competence for present and future roles.

The human resources management function today is concerned with much more than simple filing, record keeping. HRM has now become a major player in developing strategic plans and it is much more strategically integrated and involved with other functions of the organization and achieve the level of organizational effectiveness required to compete locally and globally. HRD strategies play a significant role in ensuring the survival and growth of the organization.

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## 3.2 OBJECTIVES

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After reading this unit you will be able to understand about;

- Human Resource Development: Strategies.
- Formulation and Implementation of Strategies.
- Meaning and objective of HR and HRD Strategies.

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## 3.3 MEANING AND DEFINITION OF STRATEGY

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The word 'Strategy' is derived from The Greek word, "strategos" which means a general. The word strategy therefore means the art of general. This concept of strategy is more relevant for military science. From military science, the strategy has entered the management

Strategy covers the objectives and sub plans of the organization and a plan of action for the achievement of those objectives and sub plans in the competitive environment. A strategy is, therefore a declaration of the intent. The overall aim of the strategy at the corporate level will be to match or fit the organization to its environment in the most advantageous way.

Strategy is defined as " where the organization wants to go to fulfill its purpose and achieve its mission, it provides the framework for guiding choices which determine the organization's nature and direction and these choices relate to the organization's product or services, markets, key capabilities, growth, return on capital and allocation of resources."

According to William F. Glueck, " Strategy is a unified, comprehensive and integrated plan relating the strategic advantages of the firm to the challenges of the environment. It is designed to ensure that the basic objectives of the enterprise are achieved.

According to CIMA, "strategy is a course of action including the specification of resources required to achieve a specific objectives"

The strategy may be defined as an "integrated set of actions aimed at securing a sustainable competitive advantage." The term "competitive strategy" requires that a given business be viewed as relative to its competitors. The competitive advantage may be in the form of superior product quality, lower costs, efficient distribution, more profits, larger share of market etc.

- Key Element in the strategy:- strategic management is concerned with the following significant business decisions:-
  - i. What business to be in?
  - ii. What markets to serve?
  - iii. Which needs to meet?
  - iv. What products to offer?
  - v. Where to locate facilities?

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### **3.4 FEATURES OF STRATEGY**

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Strategy is a course of actions through which an organization tries to relate itself with its environment to develop certain advantage which help in achieving its objectives. Features of the strategy are given below:

- i. Strategy relates the firm to its environment. Especially the external environment in all actions whether objective setting, or actions and resource required for its achievement.
- ii. While formulating strategy, the management must consider both external and internal environment. As the external organization highlight the opportunities and threats and internal environment tells about the strength and weaknesses.
- iii. Strategy is relative combinations of actions. This combination is to meet a particular condition to solve certain problems or to accomplish certain objectives.
- iv. Strategy is forward looking. It has orientation towards the future.

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### **3.5 LEVEL OF STRATEGY**

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Strategy may operate at different level of an organization- Corporate level, business level and functional level.

- i. Corporate Level Strategy:-Corporate level strategy is made by the top management. It is concerned with overall objective of the firm, acquisition and allocation of resources, and coordination of strategies of various SBUs for optimal performance.

- ii. **Business level Strategy:** Business level strategy is applicable in those organizations which have different business and each business is treated as SBU (Strategic Business unit). Each SBU sets its own strategies to make the best use of the resources. The corporate level strategy sets the long term objectives of the firm and the broad constraints and policies within which a SBU operates. The Corporate Level Strategy will help the SBU define its scope of operations and limit or enhance the SBU's operations by the resource the corporate level allocates to it.
- iii. **Functional Level Strategy:** Functional level strategy deals with relatively restricted plans providing objectives for specific functions, allocation of resources among different operations within that functional area, and coordination between them for optimal contribution to the achievement of the SBU and corporate level objectives. Below the functional level strategy, there may be operations level strategy as each function may be divided into several sub-functions. Strategies at all three levels are interlinked in which the higher level strategy generates a lower level strategy and a lower level strategy contributes to the accomplishment of the objectives of the higher level strategy.

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## **3.6 ROLE OF STRATEGY**

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The role of carefully formulated strategies is very significant in all types of organizations—business or non-business, public sector, large or small—in developed countries or undeveloped countries. The importance of the strategy is given below:

1. **Framework for operational Planning:**—Strategies define the business area both in terms of customers and geographical areas served. Better the definition of these areas, better will be the deployment of resources. If strategies are developed carefully and understood properly by managers, they provide more consistent framework for operational planning.
2. **Clarity in the direction of activities:** - Strategies focus on the direction of activities by specifying what activities are to be undertaken for achieving the organizational objectives. They make the organizational objectives more clear and specific.
3. **To increase organizational effectiveness:** - Strategies ensure organizational effectiveness in many ways. The effectiveness means the organization is able to achieve the objectives within the given resources. Strategies ensure that resources are put in action in a way in which these have been specified. If this is done, organization will achieve effectiveness.
4. **Personnel Satisfaction:**—Strategies contribute towards organizational effectiveness by providing satisfaction to the personnel of the organization. In organization where formal strategic management process is followed, people

are more satisfied by definite prescription of their role thereby reducing role conflict and role ambiguity.

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### 3.7 FORMULATION AND IMPLEMENTATION OF STRATEGY

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The process of formulation of the strategy is given below:-

1. **The organizational Mission and Objectives:** - The formulation of the strategy is derived from organizational mission and objectives. Mission is the unique purpose of an organization that make it different from other organization and the objective is the end result it wants to accomplish.
2. **Environment analysis:-**The basic objective of the strategies is to integrate the organization with its environment. The environmental analysis is the analysis of the external factors and information about the environment is collected from various sources for e.g. various publications, verbal information from various people, spying and forecasting. The external environment analysis, highlight the opportunities and threats in the environment.
3. **Organizational Analysis:-**While environmental analysis is the analysis of external factors, the organizational analysis takes into the account internal factors. These together are known as SWOT (strength, weaknesses, opportunities and threats) analysis.
4. **Identification of alternatives:-**Environmental analysis and organizational analysis taken together will indicate the various alternatives for strategy. Therefore, some criteria should be set up to evaluate each alternative. These are evaluated in the light of organization mission and objectives.
5. **Choice of strategy:-**Choice is deciding the acceptable alternatives among the several which fits with the organizational objectives
6. **Implementation:** After the strategy has been chosen, it is put into action. Choice of strategy is mostly analytical and conceptual while implementation is operational or putting into action. Various factors which are necessary for implementation are design of suitable organization structure, developing and motivating people to take up work, designing effective control and information system, allocation of resources, etc. Following factors are important
  - **Institutionalization of strategy:** - It is the role of the strategist to present the strategy to the members of the organization in a way that appeals to them and bring their support.
  - **Setting proper Organizational Climate:** Setting Organizational climate relevant for strategy implementation is important for making strategy to work. A top manager can play an important role in shaping the organization climate not only providing standards for what do but

also what he does because organizational climate is a matter of practice rather than the precept.

- **Developing Appropriate organization structure:** For implementing strategy, the organization structure should be designed according to the needs of the strategy. The relationship between strategy and structure can be thought of in terms of utilizing structure for strategy implementation because structure is a means to an end that is to provide facilities for implementation of the strategy.
- **Periodic Review of strategy:-**Strategy should be reviewed from time to time to know the given strategy is relevant or not.

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### 3.8 MEANING AND OBJECTIVE OF HR AND HRD STRATEGIES

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Human Resource Development is the framework for helping employees to develop their personal and organizational skills, knowledge and abilities. “ A set of systematic and planned activities designed by an organization or HR department to provide its members with the necessary skills to meet current and future job demands.”

HRD strategies are a plan that defines how the human resources would be utilized through the use of an integrated array of training, organizational development and Career development efforts to achieve individual organizational objectives.

HR strategy is the strategy whose objective is to integrate an organization’s culture, its employees and its system by coordinating a set of actions for the accomplishment of the organization’s objectives. HR strategy must be aligned with organization’s mission, vision and goals. The industry to which the organization belong should be analyzed and determination of the competitive advantage for the development of the HR strategy.

According to Dyer and Reeves,” Internally consistent bundles of human resource practices. “

According to Richardson and Thompsons (1999) suggested that,” A strategy whether it is an HR strategy or any other kind of management strategy must have two key elements: there must be strategic objectives (i.e. things the strategy is supposed to achieve) and there must be plan of action (is the means by which it is proposed that the objectives will be met)

The key dimensions must be taken into consideration while framing and developing HRD strategy:-

- i. Culture: it is the beliefs, rules and philosophy of the top management.
- ii. Organization: Organization involves analysis of the activities to be performed for achieving the organizational objectives, grouping these activities into various

divisions, departments and sections. Under organization it is the structure, job types, job descriptions and reporting lines of the organization.

- iii. **People:-**The success of the organization depends upon the quality of the people who are working in the organization. The skill level, employee potential and the capability of the management constitute the people.
- iv. **Human Resource Systems:** It is the people focused mechanism which delivers the right strategy for the organization-recruitment, communication, training and development, compensation and benefits.

HR strategies may set out intentions and provide a sense of purpose and direction, but they are not just long terms plans. The aim of HR strategies is to articulate what an organization wants to do about its human resource management policies and practices. HR strategies aim to meet the both business and human needs.

**Objectives of HR strategy:-**The objectives of HR strategies are given below:-

1. To guide HRM development and implement the programme
  2. Provide a means of communications to all concerned how to use the human resources
  3. HR strategy provide vision for the future
4. They also define the actions required to achieve the mission and visions of the organization

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## 3.9 GENERAL HR STRATEGIES

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General Strategies describe the overall system HR practices that the organization proposes to adopt or put into effect in order to improve organizational performance.

- I. **The Resource Based Approach:** The resource based approach is based on the belief that competitive advantage is obtained if a firm can obtain and develop human resources that enable it to learn faster and apply its learning effectively than its rivals. The resource based approach is concerned with methods of enhancing the firm's strategic capability by the development of managers and other staff who can think and plan strategically and who understand the strategic issues.

Unique talents among employees, including superior performance, productivity, flexibility, innovation and the ability to deliver high level of personal customer service are the ways in which people provide a critical ingredient in developing organization competitive positions. An organization's HR strategies, policies and practices are a unique blend of processes, procedures, personality's styles, capabilities and organization culture. One of the significant issues to competitive advantage is the ability to differentiate what the business delivers to the customer from what is delivered by the competitors. Such differentiation can be achieved by

having HR strategies that ensure that the firm has high quality people that its competitors.

- II. Strategic Fit: - The HR strategy should be aligned to Business strategy (vertical fit). Vertical integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former and help to define. Horizontal integration with other aspects of HR strategy is required so that its different elements fit together. The approach proposes that there cannot be one size fits all. Environment keeps changing. So HR strategy should also change,
- III. High-Performance management: Thomson and Heron (2005) refers to them as “ High –performance work organization practices which they say consist of work practices that invest in the skills, abilities of the employees ,design work in ways that enable employee collaboration in problem solving and provide incentives to motivate workers to use their discretionary effort. The aim of High Performance management is to make an impact on the performance of the organization in various areas such as productivity, level of customer service quality, growth and profits. High performance management practices include qualitative recruitment and selection procedures, appropriate training programmes and management development activities, incentive pay systems and performance management processes.
- IV. High-commitment management:- According to Wood ( 1999): High management is generally characterized as entailing
  - a) A particular orientation on the part of the employers to their employee, based on an underlying conception of them as assets to be developed rather than as disposable factors of production.
  - b) And the combined use of certain personnel practices such as job redesign, flexibility, problem solving groups, team working and minimal status difference.

The focus of HRN is on enhancing the mutual commitment.

Approaches to achieve high commitment, Beer et al 1984 and Walton (1985b):

- The development of the career ladders and emphasis on trainability and commitment as highly valued characteristics of employees at all levels in the organization.
  - A high level of functional flexibility with the abandonment of potentially rigid job description.
  - The reduction of hierarchies and the ending of status differentials.
  - A heavy reliance on team structure for disseminating information ( team briefing),structuring work ( team working) and problem solving ( quality circles)
- V. High-Involvement Management:-This approach involves treating employee as partners in the enterprise whose interests are respected and who have say in the matters that concern them. It is concerned with communication and involvement. The objective is to create a climate of mutual trust and communication between managers and the employees of the organization. As defined by Benson et al ( 2006): High-involvement work practices are a specific set of human resource practices that focuses on employee decision making, power and access to

information, training and incentives.” As the employees are given more control, more participation in decision making will make the employee more committed and dedicated in achieving the organization’s objectives.

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### 3.10 SPECIFIC HR STRATEGIES

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Specific HR strategies set out what the organization intends to do in areas such as:-

1. **Human capital management:** - is set of practices that are concerned with people resource management. These practices emphasize on the organization need to provide specific competencies and implemented in three categories: Workforce acquisition, Workforce management and workforce optimization Human Management capital deals with obtaining, analyzing and reporting on data that inform the direction of value adding people, management, strategic, investment and operational decisions.
2. **Corporate Social Responsibility:** A major task of leadership is to inculcate personal values and imparts a sense of business ethics to the organization members. Value and ethics shape the corporate culture and also clarifying the social responsibility of the organization.
3. **Organization Development:** Organization development refers to an approach to bring about a positive change in organization efficiency and effectiveness, OD is a process of planned change organization wide to increase organization effectiveness through changing the methods or process by which work is done. OD takes organizations to higher levels of performances by excelling. It aims at building internal competencies and teams in the organization. It focuses on behavior and uses various behavioral tools. OD aims at better adaptability of the organization to its environment and willingness of the members to face organization problems and help to solve them. OD makes an effort to bring improvement in organization process like interpersonal and intergroup relations, openness, communication, trust and understanding and improve organizational performance and innovativeness.
4. **Engagement:** Employee engagement is a property of the relationship between an organization and its employees” is one who is fully absorbed by and excited about their work and takes positive action to further organization’s reputation and interest. An engaged employee is one who is willing to go above and beyond what typically be expected his role. The organization need to understand the key drivers of the engagement and disengagement and activities and strategies should be designed in such a manner that they will have greatest impact on increasing engagement.
5. **Knowledge Management:** Knowledge Management ensures that all the information,data, know-how, insights, intuitions, experiences are systematically captured and transferred so that they can be systematically used by the organizations. Knowledge management is simply delivering the right information to the right person at the right time and place to make business decision of value of the enterprise. Knowledge Management is the engine that transforms ideas into business value. It is a systematic process for creating, acquiring, synthesizing, sharing and using information, insights and experiences to achieve organizational goals. Knowledge

Management is crucial for sustaining organizational effectiveness, success and increasing their competitiveness in the global market place. Knowledge Management is the system by which business strategy is executed and creates result. A firm's knowledge- the brains of its employees and their know-how, the processes and customer's knowledge have become the source of competitive advantage. Knowledge Management can be describes as consisting of the following four major processes:

- a. Knowledge creation( including knowledge Maintenance and updating)
  - b. Knowledge storage and retrieval
  - c. Knowledge distribution ( sharing) and
  - d. Knowledge application (using the knowledge) in groups such as collaborative work, multi-skilled teams, professional associations to share experience in interactions.
6. Resourcing: Globalization has increased the size of the organizations that employ thousands of the employees in the different countries. The performance of the company depends upon the qualities of the people employed. In order to make the use of latest technology the appointment of the right type of persons is essential. Good human practices help in attracting and retaining the best people in the organization. Appropriate recruitment, selection, induction, training and development and compensations policies should be designed.
  7. Talent Management: Talent management is a useful term when it describes an organization's commitment to hire, manage, develop and retain talented employees. It comprises all of the work processes and systems which are concerned with retaining and developing a superior workforce. Talent management is a business strategy and it should be fully integrated with all of the employee related processes of the organization. Attracting and retaining talented employees in talent management system is the job of every member of the organization. An effective strategy also involves the sharing of the information about talented employee and their potential career path across the organization.
  8. Learning and development: To survive in tough business world, it is not important to be the best, but also to keep evolving to stay the best. It means the organization should provide learning and development opportunities in the organization. To be effective and to have competitive advantage, the organization must be applied learning organization which means it would have processes which are totally aligned with organization objectives. Five components together can promote learning in an organization.  
These are :-
    - a. Systems thinking
    - b. Personal mastery by continual learning mode
    - c. Mental mode-positive mindset
    - d. Building shared visions
    - e. Team learning
  9. Reward: Defining what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of the stakeholders.

10. **Employee relationship:** Employee relation refers to a company's efforts to manage relationship between employers and employees. An organization with a good employee relationship program provides fair and consistent treatment to all employees so they will be committed to their jobs and loyal to the company. Employee relations programs are generally part of a human resource strategy designed to ensure the most effective use of people to achieve the organization's objectives. Human resource strategies are intentional plans by which companies tries to gain competitive edge in the market place. Employees' relations programs focus on issues affecting employees, such as pay and benefits, supporting work life balance and safe working conditions.
11. **Employee well-being:** Employee Well-being is a significant issue that companies are making an efforts to ensure that employees remain happy and motivated at work. Workplace well-being cover both physical and mental state of the employees. Physical well-being means such an access to natural day light and temperature control essentially things that have a direct impact on your body. Equally important is support for mental wellbeing, through providing adequate breakout areas to relax, or have an informal catch up with colleagues. Supporting both physical and mental well-being through office design can help create a healthy workforce

Criteria for an effective HR strategy:

An effective strategy is one that works in the sense that it achieves what its sets out to achieve. Its particular requirements are given below:-

- 1) It should satisfy the business requirements
- 2) It should be based on facts not on wishful thinking
- 3) It can be translated into actionable plans
- 4) It is coherent and integrated being composed of components that fi with and support each other

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### **3.11 HRD STRATEGIES**

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HRD strategy serves the purpose of a weapon that helps to defend itself and defeat the other competitors. It is required to carry out HRD tasks effectively, better and before others. It provides competitive advantage to the organization over others. For effective working on HRD a strategy is to be prepared. It is required for effective implementation.

1. **Organization Development:** - Organization development is a collection of change method that try to improve organizational effectiveness and employee wellbeing. Organization development covers a collection of planned change intervention built on humanistic democratic values that seek to improve organizational effectiveness and employee well-being. HR professionals can collaborate to create an organization that can change, learn, move and act faster than the competitor. Human resource development is a perquisite for growth of any organization and HRD, thus provide a platform for OD activities. Both adopt common approach to deal with problems of attitude,

behavior as well as interpersonal relations in an organizational set up. Both OD and HRD processes are involvement, communication, team, building, training and development. All these processes lead to high morale, commitment among employees, increase in the utilization of resources, high employee job satisfaction and team work.

2. Career Development, planning and management: - Career Development includes both individual career planning and organizational career management. Career planning means the steps an individual goes through to direct his or her own career in ways that will be personally satisfying. Career Management is defined as the organization's efforts to manage the flow of individuals through positions over time in ways that will best meet both organizational and individual goals. Every organization should have policy to provide its employees with appropriate opportunities, encouragement and career growth. This policy should be consistent with contribution of the employee to the growth of the organization.
3. Training: The ultimate aim of the training is improving skills and competency of the employees for raising the standards of organization performance. Training is an investment in HRD process which gives benefits to the organization in the short run and long run. The organization's performance will enhance if the organization make the investment in technology development, improvement of human systems, training systems. HRD must ensure that training is translated into practice.
4. Total Quality Management: -Total Quality Management and Human Resource Development both are dynamic concept. TQM aims at continuous improvement in the quality of the product which calls for the improvement in the quality of work of employees through training and development. The enhancement of the skills of the employee will not only improve quality but also help in reducing the cost of production. TQM can succeed only if it has the support of total quality people. The essence of TQM is the creation of the organizational system that fosters the cooperation between management and workers and facilitates learning to implement total quality. This in turn will lead to continuous improvement of processes, products and services. HR manager can facilitate the introduction and implementation of TQM in various ways:-
  - 1) Identify the uses of TQM techniques
  - 2) Develop communication systems for introducing TQM and improve quality awareness
  - 3) Select and train people carefully so that they possess requisite skills for implementing TQM
  - 4) Match appraisals to TQM philosophy
  - 5) Institute reward schemes for scaling new heights through TQM
  - 6) Carry out employee attitude and organizational climate survey that highlight weak points, point attention toward correction efforts.
  - 7) Conduct quality and ethics audits

- 8) Benchmark TQM applications with the best players in competing units and find ways to get ahead continually,
  - 9) Treat TQM as a systematic and continuous way of doing the business
  - 10) Top management must adopt the principles and language of the quality, follow the process, set examples and guide others.
5. **Kaizen:** - Kaizen is a Japanese word which means continuous improvement with the involvement in the organization for generating value for customers. It involves small improvement ongoing basis. A kaizen programme can be divided into three programs: Management oriented Kaizen, Group oriented Kaizen, Individual Oriented Kaizen. Kaizen practitioners view quality as an endless journey, not a final destination. They are always experimenting, measuring, adjusting and improving. Rather than assuming the zero-defect, they search for potential and actual trouble spots for improvement of product design and processes.
  6. **Just In Time Production:**-Just in time focusses attention on eliminating waste by purchasing or manufacturing just enough of the right items just in time. The primary aim is to reduce time within production system as well as response time. JIT approach when applied to human resources implies multifunctional workers. These workers are a key factor in designing of streamlined process. The processes are designed in such a way that each worker is able to handle to two or more machines and move from one center to another. Development of such workers not only decreases the number of workers and increases productivity but also increase team work and morale of the worker.
  7. **Benchmarking:** - HR benchmarking is a process that is used in order to compare similar features across organization in order to identify the milestones. It is sort of compare and contrast system of determining success and best practices. When HR professional have data for comparison purpose, they are better able to set goals and objectives for their own company. Best practices in benchmarking revolve around the identifying a particular strategy. It is critical that professional determine what it is they wish to learn prior to undergoing for any data collection. Like it is not advisable to compare the salaries of big companies who are in business for decades with those of small startup. While the purpose in benchmarking is to identify best practices with in HR, it is also necessary that best practices within the field of benchmarking be utilized in order to gain the most success.
  8. **Empowerment:** Empowerment occurs when the employees are sufficiently trained, provided with relevant information and the best possible tools, fully involved in a decision and fairly rewarded for result. Empowerment is the authority to make decisions within one's area of operations without having to get approval from anyone else. While this process is similar to that of delegation of authority, there are two features that make empowerment unique.
    - a) Personnel are encouraged to use their initiatives

- b) The employees are giving not just authority but resources as well as that they are able to make decisions and see that it is implemented

For example, if customer calls and says that mobile phone supplied by your organization is defective. An empowered sales employee would be able to replace with the new one. The employee would be able to authorize payments for these services as employee feels it is necessary to ensure customer services.

9. Learning organization: Learning is the organization capability to recognize and nurture the development of skills, abilities and knowledge base. Learning organization have competence to learn, create, codify and use knowledge faster than their competitors. The future organization must be built as a complex institution in which thinking, learning and knowledge creation takes place, constantly generating ideas that will permit the transformation of the organization by its people.

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### **3.12 FORMULATION OF HR AND HRD STRATEGIES**

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The process of formulating HR strategy is given below:-

1. Aligning business and HR needs:-Understanding the nature of the business and its sources of competitive advantage is essential first step towards determining the important HR interventions that form the basis of an HR strategy,
2. Developing HR strategy: - Depth understanding and awareness of business goals and business model can identify the potential threats and opportunities in the quantity and quality of human resource required by the organization. It will identify the key component of HR strategy and virtuous circle of providing the means for the organization success.HR team must possess high level of expertise in aligning major HR interventions and their relevance to business performance.
3. Organizational Performance: - Organizational Performance is the process by which business goals and objectives are cascaded and managed across and down an organization. It provides a link and justification for all other HR activity and in addition, the greatest opportunity to direct effect on business success and it will also enhance the reputation and Contribution of HR strategy.HR needs to create and install a robust performance management process that sets out performance objectives for all levels of staff with in a business.
4. Organizational design and Structure: - organization design is the shape, size and the structure of the organization required to meet customer's needs. It exhibits the management processes that drive the business model and determines the organizational agility and flexibility. These process can be a

source of competitive advantage or sources of frustration, unnecessarily consuming time, cost and resources. Decisions affecting the shape, size and cost of the organization will be aligned with the business strategy.

5. Strategic resourcing: - Deciding the resource strategy means identification of various critical components. These range from the processes required to determine resource needs, the processes to attract the right people and processes for assessing and selecting the right people. It is very much needed that each stage of resource activity is aligned and in direct response to the strategic imperatives.
6. Organization Development: If strategic resources provide information for importing external talent the organization development strategy is the way in which the HR team decides what changes and improvements are required to be changed in the current workforce. Development response will try to increase business skills, the application of the business skills and the behavioral elements-all of which contribute to an organization's effective performance.
7. Compensation and benefits: - The objective of the compensation and benefits system is to align the performance of the organization with the way it rewards its people, providing necessary incentives and motivation needed for an organization to deliver the goals. Organization see compensations as a strategic management level and are increasingly experimenting with new practices-team bonuses for example aimed at improving team performance or skill/behavior payments to upskill the work force or reinforce culture or behavior change.
8. Organization Culture: - Culture means the "way we do things round here."-the way the organization .act, react and interacts. The trends in the last 10 to 15 years has been align organization behavior with the customer needs ,creating customer facing units and customer sensitive behavior. This has been direct result of the increased competition around the product, quality, prices and packaging. In re-aligning an organization's culture there can be real benefits and competitive advantage through improved service.



### *Check Your Progress-A*

**Q1. Give the definition of HRD strategy.**

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**Q2. What do you mean by HR Strategy?**

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**Q3. What is Organization Development?**

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**Q4. What is Career development? What are General HR strategies?**

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**3.13 SUMMARY**

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The human resources management function today is concerned with much more than simple filing, record keeping. HRM has now become a major player in developing strategic plans and it is much more strategically integrated and involved with other functions of the organization and achieve the level of organizational effectiveness required to compete locally and globally. HRD strategies play a significant role in ensuring the survival and growth of the organization

- The strategy may be defined as an “integrated set of actions aimed at securing a sustainable competitive advantage.” The term “competitive strategy” requires that a given business be viewed as relative to its competitors and continuing success business requires that competitive advantage be sought and maintained. The competitive advantage may be in the form of superior product quality, lower costs, efficient distribution, more profits, larger share of market etc. Key Element in the strategy:- strategic management is concerned with the following significant business decisions:-
  - vi. What business to be in?
  - vii. What markets to serve?
  - viii. Which needs to meet?
  - ix. What products to offer?

- Human Resource Development is the framework for helping employees to develop their personal and organizational skills, knowledge and abilities. “ A set of systematic and planned activities designed by an organization or HR department to provide its members with the necessary skills to meet current and future job demands.”
- HRD strategies are a plan that defines how the human resources would be utilized through the use of an integrated array of training, organizational development and Career development efforts to achieve individual organizational objectives.
- HR strategy is the strategy whose objective is to integrate an organization’s culture, its employees and its system by coordinating a set of actions for the accomplishment of the organization’s objectives. HR strategy must be aligned with organization’s mission, vision and goals. While formulating HR strategy for the organization. The industry to which the organization belong should be analyzed and determination of the competitive advantage for the development of the HR strategy.
- HR strategies set out what the organization intends to do about the different aspects of human resource management policies and practices. They are of two types:
  1. General HR strategy:- They are likely to be expressed as broad brush statement of aims and purpose that sets the scene for more specific purposes
  2. Specific HR strategies set out what the organization intends to do.

HRD strategy serves the purpose of a weapon that helps to defend itself and defeat the other competitors. It is required to carry out HRD tasks effectively, better and before others. It provides competitive advantage to the organization over others. For effective working on HRD a strategy is to be prepare

The process of formulation of HR and HRD strategies consist of the following steps:-

1. Aligning business and HR needs
2. Developing HR strategy
3. Organizational Performance
4. Organization design and structure
5. Strategic resources
6. Organization development
7. Compensation and benefits
8. Organization culture




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## 3.14 GLOSSARY

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**Competitive advantage:** The competitive advantage for an organization means discovering the needs of the customers and satisfying and even exceeding their expectation for the purpose of achieving the goals of the organization.

**Efficiency:** It means doing something at lowest possible cost

**Effectiveness:** It means doing the right things to create the most value for the company

**Environment Analysis:** It is the process by which strategists monitor the environment setting to determine the opportunity and threats

**Environment Scanning:** It focuses on identifying indicators of potential environmental change and issues

**Just In Time:** JIT is a management tool that helps to produce the needed quantities at the needed time. It provides for the required flow of production to be maintained with zero inventory at each stage of the supply/manufacturing units.

**Mission:** It provides a formal statement to insiders and outsiders of what the company stands for its image and character

**Motivation:** Motivation is the desire to act and move

**Productivity:** Productivity is the measure of how well resources are brought together in organization and utilized for accomplishment a set of results.

**Smacking:** Smacking is physical punishment. It is to hit somebody with the inside of one's hand when it is flat, especially as a punishment.

**Strategy:** It is unified, comprehensive and integrated plan that relates strategic advantage of the firm to the challenges of the environment.

**SWOT Analysis:** It is critical analysis and assessment of strength and weaknesses, opportunities and threats in relation to the internal and external environment.

**Vision:** The vision of the firm refers to the broad category of long term intentions that it wishes to pursue.



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### 3.17 TERMINAL QUESTIONS

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- Q1. Discuss various HRD strategies adopted by the organization?
- Q2. Explain the process of formulation of HR and HRD strategies?
- Q3. Explain objective and various types of HR strategies?



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### 3.18 CASE STUDY

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ABC Ltd Company used to organize management development programmes for the functional heads of various departments for e.g. marketing, production, hrm, finance etc. During one of development session that was devoted to the applications of motivation theories to the practical problems faced in the real world.

Mr. X who was working as supervisor in the production department since one year. He was also attending the development session at ABC Ltd. During the discussion session, MR.X made the following observation:

“Motivation theory makes sense in general, but I am not able to apply these concepts to my staff. As our all shop employees are unionized and have job security and wage scales that are negotiated and are not under my control. The study of motivation has given me some ideas how to motivate my son in accomplishing the assigned work. But the knowledge which I

gained about motivation has no sense on my job. Furthermore, in a working situation, we are all dealing with the mature and adult employees, and it seems to me this reward and punishment things smacks of personal manipulations that just would go over with people.

Questions for discussion

1. Conceptualize the problem in brief in the given case.
2. Critically evaluate the observation of MR.X.
3. How will you guide Mr. X to apply motivation concepts at work place?

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## UNIT 4 ROLE OF LINE MANAGER IN HRD

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### 4.1 Introduction

### 4.2 Objectives

### 4.3 Meaning and Definition

### 4.4 Roles and Responsibilities of Line Manager

### 4.5 Importance of the Line Manager or Direct Manager

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### 4.12 Terminal Questions

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## 4.1 INTRODUCTION

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Small organizations have few employees, and have no specialized Human Resource Staff. Therefore, the activities related to recruitment and management of employees are carried out by line managers only. Whereas, larger business setups have HR specialist and even HR departments to oversee and coordinate the policies and procedures governing employees in an organization. Even is an organization have HR specialists, the day-to-day responsibilities of implementing HR initiatives among the workers lies with Line managers only.

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## 4.2 OBJECTIVES

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After reading this unit you will be able to;

- Understand about Line manager.
- Roles and responsibilities of line manager.
- Importance of line manager.
- Challenges of line manager.

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## 4.3 MEANING AND DEFINITION

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A *line manager* is a person who directly manages other employees and operations of a business while reporting to a higher ranking manager. The line manager term is often used interchangeably with "direct manager."

Therefore, in every organization, line managers have a very important role to play. They are not only limited to day-to-day management of people, but also the crucial agents for implementing HR policies, particularly in organizations where there's a devolution of HR activities towards line management. Hence, it became very important that the selection of line managers must be appropriate.

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## 4.4 ROLES AND RESPONSIBILITIES OF THE LINE MANAGER

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The line (or direct) manager plays an important role in operations and functioning of every business organization. They are responsible for managing employees and resources in the pursuit of attaining organizational and functional goals. Some of the responsibilities of the line managers include:

- Important element for conducting job analysis.
- Recruitment and selection of talent to fill team positions.
- Providing necessary training support to fresh talent.
- Cross-training employees to ensure job rotation and minimize assignment coverage gaps.
- To perform the role of a coach and provide constructive feedback to all team members.
- Communicating and ensuring understanding of departmental, functional and organizational goal.
- Evaluating individual and team performance versus target and communicating performance review.
- Identifying the need for corrective actions.
- Ensuring quality standards for all processes.
- Engaging with other line managers across other departments of the organization.
- Generating and communicating reports on performance and productivity indicators to top level.

Along these responsibilities, there are certain roles that require more elaboration as:

- ***Employee Engagement:*** Line managers are the agents of creating organizational culture among their team. Managers focusing on their employee's strengths and encouraging open communication, are more likely to engage and encourage their

employees. Line managers who focus on the negative aspects of employee's performance, focus on micromanagement of employees, will create disengaged and disgruntled employees. HR practitioners measure employee engagement through survey, but engagement is generated or exercised by the line managers.

- **Performance Appraisal:** Designing of performance appraisal is the function of top HR professionals, however, the entire responsibility of implementing it appropriately lies with the line managers. Employee's performance and behaviours are assessed and rated by the direct manager. Feedback is shared on one-to-one basis between the employee and the line manager. For an effective feedback, it must be constructive and positive, and must be conveyed in a sincere and understandable manner. Upon disinterest of line manager or using tick box type exercise, the appraisal process will lose its credibility.
- **Disciplining Employees:** Discipline is exercised in the workplace when a line manager sets out his expectations with his team. These expectations have the support of policies and procedures formulated by HR department. However, if a line manager is seen to break the rules, then he will struggle to enforce them with his team. Therefore, if he needs to take formal disciplinary action against team member, his own behaviour will be cast back at him.
- **Performance-Related Pay:** In the organization having performance-related pay structure, the role of line manager is extended automatically, while determining whether his direct reports will receive a pay increase. Performance rating provided by line managers can influence the increment that employees may receive, ranging from the less from top talent to average talent. Line managers require appropriate training to ensure that their ratings are based on objective criteria and are not biased or discriminatory.



### ***Check Your Progress-A***

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#### **Q1. Fill in the blanks.**

- i. Line manager is also known as .....
- ii. Performance Appraisal is exercised by .....
- iii. In large organizations, function of creating and formulating policies lies with .....
- iv. Cross-training employees to ensure job rotation and minimize assignment coverage gaps is done by .....

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## 4.5 IMPORTANCE OF THE LINE MANAGER OR DIRECT MANAGER

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Role of line manager plays an important part in the overall organizational performance.

A good manager is one who is actively involved with his/her team members providing support, offering engagement and delivering constructive feedback on regular basis. The direct influence of line managers upon the satisfaction level of employees results in affecting organizational productivity, and customer's satisfaction.

While senior HR professionals/managers are engaged in developing and approving various policies and procedures governing an organization, the key role and hard work of implementing those policies is taken care-off by these line managers. They are the key agents who ensures that the new policies and procedures, which are formulated by top management, are implemented in a timely and effective manner. They are well positioned to identify problems associated with strategy execution and thus the inputs provided by line managers are essential for organizational learning.

Talent development is a key priority for any organization, and line manager exercise large control over the identification, development and promotion of talented professional in their teams. Even sometimes, the next generation of line managers also emerges from these teams.

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## 4.6 CHALLENGES OF LINE MANAGERS

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There are various point of challenges and stresses for a line manager. These includes:

- Significant responsibility for entire operations, with limited resources.
- Jobs that require long hours.
- Overcome all biases for fair and justice treatment of all the team members.
- The teams that are assigned to a line manager is most often too large in size, which is quite complicated to monitor and observe. An appropriate size of a team is 8-9 team members. Larger team size, increases the span of difficulties in providing appropriate and timely coaching, training and development support
- Constant pressure to minimise cost and maximise output.
- Difficulties to communicate the policies formulated by top HR personals among the teammates, for maximum absorption.
- Due to high turnover among the employees, mostly the line managers are engaged with only hiring and training talent employees, and are not able to focus on implementing and communicating the polices among the existing team.



### Check Your Progress- B

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#### Q1. Write True or False.

- i. Line manager play an important role in the process of job analysis.
- ii. Line manager can influence any team member because he has control over his performance feedback.
- iii. Line manager face constant pressure to minimise cost and maximise output.
- iv. Line manager, being direct manager, need not to involve with team mates.

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## 4.7 SUMMARY

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- A *line manager* is a person who directly manages other employees and operations of a business while reporting to a higher ranking manager. The line manager term is often used interchangeably with "direct manager."
- Responsibilities of line manager includes employee engagement, performance appraisal, disciplining employees and performance-related pay.
- Importance of line manager in communicating the policies formulated by the top HR personals, its effective execution and feedback to employees.
- Challenges of line managers is significant responsibility for entire operations, with limited resources.




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## 4.8 GLOSSARY

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**Line Manager** is a person who directly manages other employees and operations of a business while reporting to a higher ranking manager. The line manager term is often used interchangeably with "direct manager."

**Employee Engagement:** Line managers are the agents of creating organizational culture among their team.

**Performance Appraisal:** Designing of performance appraisal is the function of top HR professionals, however, the entire responsibility of implementing it appropriately lies with the line managers.

**Disciplining Employees:** Discipline is exercised in the workplace when a line manager sets out his expectations with his team.

**Performance-Related Pay:** In the organization having performance-related pay structure, the role of line manager is extended automatically, while determining whether his direct reports will receive a pay increase.




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## 4.9 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –A

- i. Direct Manager
- ii. Line Manager
- iii. Top HR Managers
- iv. Line Managers

### Check Your Progress –B

- i. True.
- ii. True.
- iii. True.
- iv. False.




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## 4.11 SUGGESTED READINGS

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8. Thomson, R and Mabey, C, Developing Human Resources, Oxford, Butterworth – Heinemann 1994.



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## 4.12 TERMINAL QUESTIONS

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- Q1. Who is a line manager?
- Q2. Elaborate the importance of line manager in an organization? What are the various challenges of line managers?
- Q3. Explain the role and responsibilities of line manager in an organization.

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## UNIT 5 JOB EVALUATION FOR HRD

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- 5.1 Introduction**
- 5.2 Objectives**
- 5.3 Job Analysis**
- 5.4 Job Description**
- 5.5 Job Design**
- 5.6 Job Evaluation**
- 5.7 Summary**
- 5.8 Glossary**
- 5.9 Answer to Check Your Progress**
- 5.10 Reference/ Bibliography**
- 5.11 Suggested Readings**
- 5.12 Terminal Questions**

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### 5.1 INTRODUCTION

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Human Resource Management process really begins with deciding what the job entails and ends with employee's welfare in an organization. The main purpose of this unit is to show how to analyse a job, write a job description, designing of a job and ultimately job evaluation. We'll see that analysing jobs involves determining in detail what the job entails and what kind of people the firm hire for that job.

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### 5.2 OBJECTIVES

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After reading this unit you will be able to understand;

- Job analysis and its process.
- How to write job description?
- Job designing.
- How to conduct job evaluation?

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## 5.3 JOB ANALYSIS

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Organizations consists of jobs that have to be staffed. Job Analysis is the procedure through which we determine the duties and skill required for a particular positions and the characteristics of the person who should be hired for it. Job Analysis procedure helps to produce information that is required to write Job Description (a list of what the job entails) and Job Specification (what kind of people to hire for the job).

The supervisor or HR specialist normally collects one or more of the following types of information via the Job Analysis:

- Work Activities,
- Human Behaviour,
- Machines, Tools, Equipment and Work Aids,
- Performance Standards,
- Job Context and
- Human Requirement.

### *Uses of Job Analysis Information*

The information so collected through the process of Job Analysis is used for the following purposes:

- Recruitment and Selection,
- Compensation,
- Training and Development,
- Performance Appraisal,
- Discovering Unassigned Duties and
- Legal Compliance,

### *Steps involved in Job Analysis Process*

**Step 1:** Determine how you'll use the information, since this will determine the data you collect and how you collect them. Some data collection techniques – like interviewing the employee and asking what the job entails- are good for writing job description and selecting employees for the job. Other techniques, like the position analysis questionnaire, do not provide qualitative information for job description. Instead, they provide numerical ratings for each jobs; these can be used to compare jobs for compensation purposes.

**Step 2:** Review relevant information such as organizational charts, process charts and job description. Organizational chart shows the organization-wide division of work, how the job in question relates to other jobs, and where the job fits in the overall organization. The chart

should show the title of each position and by means of interconnecting lines, who report to whom and with whom the job incumbent communicates.

A Process Chart is a more detailed picture of work-flow. In its simplest form a process chart shows the flow of inputs to and outputs from the job you're analysing. Finally, the existing job description, if there is one, usually provides a starting point for building the revised job description.

**Step 3:** Selection of representative position. There may be too many similar jobs, to analyse them all. For example, it is usually unnecessary to analyse the jobs of 200 assembly workers when a sample of 10 jobs will do.

**Step 4:** Actually analyse the Job by collecting data on job activities, required employee behaviours, working condition and human traits and abilities needed to perform the job. For this step, use one or more of the job analysis methods.

**Step 5:** Verify the job analysis information with the worker performing the job and with his/her immediate supervisor. This will help confirm that the information is factually correct and complete. This review can also help gain the employee's acceptance of the job analysis data and conclusions, by giving that person a chance to review and modify your description of job activities.

**Step 6:** Develop a Job Description and Job Specification. These are two tangible products of the job analysis. The job description is a written statement that describe the activities and responsibilities of the jobs, as well as its important features, such as working conditions and safety hazards. The job specification summarizes the personal qualities, traits, skills and background required for getting the job done. It may be in a separate document or in the same document as the job description.

### ***Methods for Collecting Job Analysis Information***

There are various ways to collect information on a job's duties, responsibilities and activities. There may be described as:

- Interview Method.
- Questionnaires.
- Observation.
- Participants Diaries/ Logs.
- Quantitative Job Analysis.
- Internet Based Job Analysis

#### ***Interview Method***

Job analysis interview range from completely unstructured interviews to highly structured ones containing hundreds of specific items to check off.

Managers may conduct individual interviews with each employee, group interview with group of employees who are performing same jobs, and/or supervisor's interview with one or more supervisors who know the job. They use group interviews when a large number of employees are performing similar or identical work, since it can be a quick and inexpensive way to gather information. As a rule, the worker's line manager attends the group session; if not, you can interview the supervisor separately to get that person's perspective on the job's duties and responsibilities.

Whichever kind of interview you use, you need to be sure the interviewee fully understands the reason for the interview. There's a tendency for workers to view such interviews, rightly or wrongly, as 'efficiency evaluation'. If so, interviewees may hesitate to describe their jobs accurately.

Some of the typical interview questions are as:

- What is the job being performed?
- What are the major duties of your position? What exactly do you do?
- What physical location do you work in?
- In what activities do you participate?
- What are the job's responsibilities and duties?
- What are the basic accountabilities or performance standards that typify your work?
- What are your responsibilities? What are the environmental and working conditions involved?
- What are the job's physical demands? The emotional and mental demands?
- What are the health and safety conditions?
- Are you exposed to any hazards or unusual working conditions?

### ***Interviewing Guidelines***

To get the best information possible, keep several things in mind when conducting a job analysis interview.

- Quickly establish rapport with the interviewee. Know the person's name, speak in easily understood language, briefly review the interview's purpose and explain how the person was chosen for the interview.
- Preferably follow a structured guide or checklist, one that lists questions and provides space for answers. This ensures you'll identify crucial questions ahead of time and that all interviewers (if more than one) cover all the required questions.
- When duties are not performed in a regular manner- for instance, when the worker does not perform the same duties repeatedly many times a day- ask the worker to list his/her duties in order of importance and frequency of occurrence. This will ensure that you don't overlook crucial but infrequently performed activities. Like a nurse's occasionally emergency room duties.
- After completing the interview, review and verify the data. Specifically, review the information with the worker's immediate supervisor and with the interviewee.

### ***Questionnaires***

Having employees fill out questionnaires to describe their job-related duties and responsibilities is another popular way to obtain job analysis information.

You have to decide how structured the questionnaire should be and what questions to include. Some questionnaires are very structured checklists. Here each employee gets an inventory of perhaps hundreds of specific duties or tasks. He or she is asked to indicate whether or not he or she performs each task and, if so, how much time is normally spent on each. At the other extreme, the questionnaire can be open ended and simply ask the employees to describe the major duties of your job.

### ***Observation***

Direct observation is especially useful when jobs consist mainly of observable physical activities- assembly-line workers and accounting clerks, are examples. On the other hand, observation is not usually appropriate when the job entails a lot of mental activities such as lawyer, designer or engineer. Nor it is useful if the employee is occasionally engaged in important activities, such as a nurse who handles emergencies. And reactivity- the worker's changing what he or she normally does because you are watching- can also be a problem.

Managers often use direct observation and interviewing together. One approach is to observe the worker on the job during a complete work cycle. Here, you take notes of all the job activities. Then, after accumulating as much information as practical, you interview the worker. Ask the person to clarify point not understood and to explain what other activities he or she performs that you didn't observe. You can also observe and interview simultaneously, asking questions while the worker performs his/her job.

### ***Participant Diary/Logs***

Another method is to ask workers to keep a diary/log of what they do during the day. For every activity engaged in, the employee records the activity in a log. This can produce a very complete picture of the job, especially when supplemented with subsequent interviews with the worker and the supervisor. The employee, of course, might try to exaggerate some activities and underplay others. However, the detailed, chronological nature of the log tends to mediate against this.

Diary/logs have gone high-tech. Some firms give employees pocket dictating machines and pagers. Then at random times during the day, they page the workers, who dictate what they are doing at that time. This approach can avoid one pitfall of the traditional diary/log method: relying on workers to remember what they did hours earlier when they complete their logs at the end of the day.

### ***Quantitative Job Analysis Techniques***

Qualitative methods like interviews and questionnaires are not always suitable. For example, if your aim is to compare jobs for pay purposes, a mere listing of duties may not suffice. You may need to say that, in effect, 'Job A is twice as challenging as Job B, and so is worth twice

the pay'. To do this, it helps to have quantitative ratings for each job. The position analysis questionnaire approach is used as quantitative methods for doing this.

### ***Position Analysis Questionnaire (PAQ)***

PAQ is a form of questionnaire used to collect quantifiable data concerning the duties and responsibilities of various jobs.

PAQ is probably the most popular quantitative job analysis tool, and consist of a detailed questionnaire containing 194 items. The items such as, 'written material', each represent a basic element that may or may not play a role in the job. The 194 items each belongs to one of five PAQ basic activities:

- i. Having decision making/ communication/ social responsibilities.
- ii. Performing skilled activities.
- iii. Being physically active.
- iv. Operating vehicles/ equipment.
- v. Processing information.

The final PAQ score shows the job's rating on each of these five activities. The job analyst decides if each of the 194 items plays a role and, if so, then to what extent. The job analyst can use an online version of the PAQ for each job he/she is analysing.

The PAQ's strength is in classifying jobs. With score for each job's decision making, skilled activity, physical activity, vehicle/ equipment operation and information-processing characteristics, you can quantitatively compare jobs relative to one another, and then assign pay for each job.

### ***Internet Based Job Analysis***

Methods such as interview and questionnaire present some drawbacks. For example, face-to-face interviews and observations can be time-consuming. And collecting the information from geographically dispersed employees can be challenging.

Conducting the job analysis via the internet is an obvious solution. Therefore, the use of online methodologies for surveys, including job analysis surveys has increased dramatically in recent year, and most companies choose to use the Internet or Intranet to collect this type of data. Most simply, the human resource department can distribute standardized job analysis questionnaire to geographically disbursed employees via their company internet, with instructions to complete the forms and return them by a particular date.

Of course, the instruction should be clear, and it's best to test the process first. Most importantly, without a job analyst actually sitting there with the employee or supervisor,

there's always a chance that the employees won't cover important points or that misunderstanding will could the results.

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## 5.4 JOB DESCRIPTION

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The employers almost always uses the job analysis to produce a job description. A Job Description is a written statement of what the workers actually does, how he or she does it, and what the job's working conditions are. You use this information to write a job specification; this lists the knowledge, abilities and skills required to perform the job satisfactorily.

There are no standard format for writing a job description. However, most description contain sections that cover:

1. Job Identification
2. Job Summary
3. Responsibilities and Duties
4. Authority of Incumbent
5. Standards of Performance
6. Working Conditions
7. Job Specification

### ***Job Identification***

Job identification includes several type of information. Such as, *job title* specifies the name of the job. *Date*, is the date the job description was actually approved. There may also be a space to indicate who approved the description and perhaps a space that shows the location of the job in terms of its facility/division and department/section. This section might also include the immediate supervisor's title and information regarding salary and/or pay scale. There might also be space for the grade/ level of the job, if there is such a category. For example, a firm may classify programmers as programmer II, programmer III, and so on.

### ***Job Summary***

The job summary of-course summarise the essence of the job, and include only its major functions or activities. Thus, for the job of material manager, the summary might state that the 'material manager purchases economically, regulates delivery of, stores, and distributes all material necessary on the production line'. For the job of mailroom supervisor, 'the mailroom supervisor receives, shorts, and deliver all incoming mails properly, and he or she handles all outgoing mail including the accurate and timely posting of such mail'.

While it's common to do so, include general statements like 'performs other assignments as required' with care. Such statements do give supervisors more flexibility in assigning duties. Some experts, however, state unequivocally that 'one item frequently found that should never be included in a job description is a cop-out clause like other duties, as assigned', since this leaves open the nature of the job- and the people needed to staff it. To avoid any ambiguities, it's advisable to make it clear in the job summary that the employer expects the job incumbent to carry out his or her duties efficiently, attentively, and conscientiously.

### ***Relationships***

There may be a relationship statement that shows the job-holders relationship with other inside and outside the organization. For a human resource manager, such a statement might look like this;

**Report to:** Vice president of employee's relations.

**Supervises:** Human Resource Clerks, test administrator, labour relation director, and one secretary.

**Works with:** All department managers and executive management.

### ***Responsibilities and Duties***

This is the heart of job description. It should present a list of job's significant responsibilities and duties. For instance, job's duties may include 'achieve quantitative sales goal' and 'determine sales priority'.

This section may also defines the limit of the jobholder's authority, including his/her decision making authority, direct supervision of other personnel, and budgetary authority.

Usually, the manager's basic question here is, 'How do I determine what the job's duties are and should be?'. The first answer is, from the job analysis itself; this should reveal what the employees on each job are doing now. Second, the manager will turn to the various sources of standardized job description information.

### ***Standard of Performance and Working Conditions***

Some managers want the job description to contain a 'standard of performance' section. This lists the standards the company expects the employees to achieve under each of the job description's main duties and responsibilities. It guides both the employee and manager in assessing how the former is performing.

Setting standards is never easy. However, most managers soon learn that just telling subordinates to 'do their best' doesn't provide enough guidance. One straightforward way of setting standards is to finish the statement, 'I will completely satisfy with your work when .....'. This sentence, if completed for each duty listed in the job description, should result in a usable set of performance standards. Here are some examples:

#### ***Duty: Accurately Posting Accounts Payable***

1. Post all invoices received within the same working day.

2. Route all invoices to proper department managers for approval no later than the day following receipts.
3. An average of no more than three posting errors per month.

***Duty: Meeting Daily Production Schedule***

1. Produce no less than 426 units per working day.
2. Next workstation rejects no more than an average of 2% on units.
3. Weekly overtime does not exceed an average of 5%.

The job description may also list the working conditions involved on the job. These might include things like noise level, hazardous conditions, or less.

***Writing Job Specification***

The job specification takes the job description and answers the question, ‘What human traits and experiences are required to do this job effectively?’ It shows what kind of person to recruit and for what qualities you should test that person. The job specification may be a section of the job description, or a separate document.

***Specifications Based on Judgement***

Most job specifications come from the educated guesses of people like supervisors and human resource managers. The basic procedure here is to ask, ‘What does it take in terms of education, intelligence, training and the like to do this job well?’ There are several ways to get these ‘educated guesses’. You could simply review the job’s duties and deduce from those human traits and skills the job requires. You can also choose them from the competencies listed in various web-based descriptions.

***Job Specifications Based on Statistical Analysis***

Basing job specifications on statistical analysis is the more defensible approach, but it’s also more difficult. The aim here is to determine statistically the relationship between (1) some predictor (human traits, such as height, intelligence, or finger dexterity) and (2) some indicator or criterion of job effectiveness, such as performance as rated by supervisor.

This procedure have 5 steps:

1. Analyse the job and decide how to measure job performance.
2. Select personal traits like finger dexterity that you believe should predict successful performance,
3. Test candidates for these traits,
4. Measure these candidates subsequent job performance and
5. Statistically analyse the relationship between the human traits.

This method is more defensible than the judgemental approach because equal rights legislation forbids using traits that you can't prove distinguished based on gender, race, religion, or age may have to be shown to predict the job performance.



### *Check Your Progress-A*

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#### **Q1. Fill in the blanks.**

1. A list consisting job duties and responsibilities is part of..... Job Description
2. Determining duties and characteristics of positions to be staffed is..... Job Analysis
3. Workflow detailed picture is called..... Process Chart
4. Determining type of people, which a company needs for job is referred as ..... Job Specification

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## **5.5 JOB DESIGN**

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Job design follows job analysis i.e. it is the next step after job analysis. It aims at outlining and organising tasks, duties and responsibilities into a single unit of work for the achievement of certain objectives. It also outlines the methods and relationships that are essential for the success of a certain job. In simpler terms it refers to the what, how much, how many and the order of the tasks for a job/s.

Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same. It outlines the job responsibilities very clearly and also helps in attracting the right candidates to the right job. Further it also makes the job look interesting and specialised.

There are various steps involved in job design that follow a logical sequence, those that were mentioned earlier on. The sequence is as follows:

- What tasks are required to be done or what tasks is part of the job?
- How are the tasks performed?
- What amount are tasks are required to be done?
- What is the sequence of performing these tasks?

All these questions are aimed at arriving upon a clear definition of a specific job and thereby make it less risky for the one performing the same. A well-defined job encourages feeling of achievement among the employees and a sense of high self-esteem.

The whole process of job design is aimed to address various problems within the organisational setup, those that pertain to ones description of a job and the associated relationships. More specifically the following areas are fine-tuned:

- Checking the work overload.
- Checking upon the work under load.
- Ensuring tasks are not repetitive in nature.
- Ensuring that employees don not remain isolated.
- Defining working hours clearly.
- Defining the work processes clearly.

The above mentioned are factors that if not taken care of result into building stress within the employees.

### ***Benefits of Job Design***

The following are the benefits of a good job design:

1. **Employee Input:** A good job design enables a good job feedback. Employees have the option to vary tasks as per their personal and social needs, habits and circumstances in the workplace.
2. **Employee Training:** Training is an integral part of job design. Contrary to the philosophy of “leave them alone’ job design lays due emphasis on training people so that are well aware of what their job demands and how it is to be done.
3. **Work / Rest Schedules:** Job design offers good work and rest schedule by clearly defining the number of hours an individual has to spend in his/her job.
4. **Adjustments:** A good job designs allows for adjustments for physically demanding jobs by minimising the energy spent doing the job and by aligning the manpower requirements for the same.

Job design is a continuous and ever evolving process that is aimed at helping employees make adjustments with the changes in the workplace. The end goal is reducing dissatisfaction, enhancing motivation and employee engagement at the workplace.

### ***Approaches to Job Design***

Job design is the next step after job analysis that aims at outlining, and organizing tasks and responsibilities associated with a certain job. It integrates job responsibilities and

qualifications or skills that are required to perform the same. There are various methods or approaches to do this. The important ones are discussed below

### ***Human Approach***

The human approach of job design laid emphasis on designing a job around the people or employees and not around the organizational processes. In other words it recognizes the need of designing jobs that are rewarding (financially and otherwise) and interesting at the same time.

According to this approach jobs should gratify an individual's need for recognition, respect, growth and responsibility. Job enrichment as popularized by Herzberg's research is one the ways in human approach of job design. Herzberg classified these factors into two categories - the hygiene factors and the motivators.

Motivators include factors like achievement, work nature, responsibility, learning and growth *etc.* that can motivate an individual to perform better at the work place.

Hygiene factor on the other hand include things like working conditions, organizational policies, salary *etc.* that may not motivate directly but the absence of which can lead to dissatisfaction at the work place.

### ***Engineering Approach***

The engineering approach was devised by FW Taylors et al. They introduced the idea of the task that gained prominence in due course of time. According to this approach the work or task of each employee is planned by the management a day in advance. The instructions for the same are sent to each employee describing the tasks to be undertaken in detail. The details include things like what, how and when of the task along with the time deadlines.

The approach is based on the application of scientific principles to job design. Work, according to this approach should be scientifically analysed and fragmented into logical tasks. Due emphasis is then laid on organizing the tasks so that a certain logical sequence is followed for efficient execution of the same. The approach also lays due emphasis on compensating employees appropriately and training them continuously for work efficiency.

### ***The Job Characteristics Approach***

The job characteristics approach was popularized by Hackman and Oldham. According to this approach there is a direct relationship between job satisfaction and rewards. They said that employees will be their productive best and committed when they are rewarded appropriately for their work. They laid down five core dimensions that can be used to describe any job - skill variety, task identity, task significance, autonomy and feedback.

**Skill variety:** The employees must be able to utilize all their skills and develop new skills while dealing with a job.

**Task Identity:** The extent to which an identifiable task or piece of work is required to be done for completion of the job.

**Task Significance:** How important is the job to the other people, what impact does it create on their lives?

**Autonomy:** Does the job offer freedom and independence to the individual performing the same.

**Feedback:** Is feedback necessary for improving performance.

These are different approaches but all of them point to more or less the same factors that need to be taken into consideration like interest, efficiency, productivity, motivation etc. All these are crucial to effective job design.

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## 5.6 JOB EVALUATION

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Job Evaluation is a systematic comparison done in order to determine the worth of one job relative to another. Job Evaluation aims to determine a job's relative worth. The job evaluation is a formal and systematic comparison of jobs to determine the worth of one job relative to another. Job evaluation eventually results in a wage or salary structure or hierarchy (this shows the pay rates for various jobs or groups of jobs). The basic principle of job evaluation is this: Jobs that require greater qualifications, more responsibilities, and more complex in nature should receive more pay than job with less requirements. The basic procedure is to compare the jobs in relation to one another-for example, in term of required effort, responsibilities, and skills. Suppose you know (based on your salary survey) how to price key benchmark jobs, and then use job evaluation to determine the relative worth of all the other jobs in your firm relative to these key jobs. You are then well on your way to being able to price all the jobs in your organization equitably.

### *Compensable Factors*

There are two basic approaches to compare several jobs. First, you can have an intuitive approach. In this you might decide that one job is more important than another and not dig any deeper into it. Whereas, another approach is based on comparing the jobs by focusing on certain basic factors the job have in common. Compensation management specialists call these as compensable factors.

A fundamental, compensable element of a job, such as skills, efforts, responsibility and working conditions are known as compensable factors. They are the factors that establish how the jobs compare to one another, and that determine the pay for each job.

Some employers develop their own compensable factors. However, most use factors popularised by packaged job evaluation system or as mentioned by legislation. For example, the Equal Pay Act emphasises four compensable factors- skills, efforts, responsibility, and working condition. The method popularised by Hay consulting firm emphasis three factors: known-how, problem solving and accountability. Walmart bases its wages structure on knowledge, problem-solving skills, and accountability requirements.

Identifying appropriate compensable factors plays an important role in job evaluation. We usually compare each job with all comparable jobs using the same compensable factors as basis. However, the compensable factors you use depend on the job and the job evaluation methods. For example, you might choose to include 'decision making' for a manager's job, though it might be inappropriate for a cleaner job.

### ***Preparing for a Job Evaluation***

Job evaluation is a judgemental process and demands close cooperation among supervisors, HR specialists, and employees and union representatives. The main steps include identifying the need for the programme, getting cooperation, and then choosing an evaluation committee. The committee then perform the actual evaluation.

Identifying the need for job evaluation should not be difficult. For example, dissatisfaction reflected in high turnover, work stoppages, or arguments may results from paying employees different rates for similar jobs. Managers may express uneasiness with an informal way of assigning pay rates, accurately sensing that a more systematic assignment would be more equitable.

Next (since employees may fear that a systematic evaluation of their jobs may reduce their pay rates), getting employees to cooperate in the evaluation is important. You can tell employees that because of their impending job evaluation programme, pay rate decision will no longer be made just by management whim; that job evaluation will provide a mechanism for considering the complaints they have been expressing; and that no current employee's rate will be adversely affected because of their job evaluation.

Third, chose a job evaluation committee. There are two reasons for doing so. First, those evaluating jobs should include several people who are familiar with the jobs in questions, each of whom may have a different perspective regarding the nature of the jobs. Second, if the committee is composed at least partly of employees, the committee approach can foster greater employee acceptance of the job evaluation results.

So, the composition of committee is important. The group usually consists of about five members, most of whom are employees. Management has the right to serve on such committees, but employees may view this with suspicion. However, a human resource specialist can usually be justified as perhaps being more impartial than line manager, and can provide expert assistance. Perhaps have this person serve in a non-voting capacity. Union representation is possible. In most cases, though, the union's position is that it is accepting the results of the job evaluation only as an initial decision and is reserving the right to appeal actual job pricing decisions through grievance or bargaining channels. Once appointed, each committee member should receive a manual explaining the job evaluation process and instruction that explain how to conduct job evaluation.

The evaluation committee performs three main function. First, it usually identifies 10 to 15 bench mark jobs. These will be the first jobs they'll evaluate and will serve as the anchors or benchmarks against which the relative importance or value of all other jobs can be compared. Next, the committee may select compensable factors (although the human resource

department will usually choose these as part of the process of determining the specific job evaluation technique the firm will use). Finally, the committee performs its most important function- actually, evaluating the worth of each job. For this, the committee will probably use one of the following methods:

- Ranking Method,
- Job Classification Methods,
- Point Method or
- Factor Comparison Method.

### ***Ranking Method***

This is the simplest job evaluation method ranks each job relative to all other jobs, usually based on some overall factors like 'job difficulty'. There are several steps in the job ranking method as:

- i. ***Obtain Job Information:*** Job analysis is the first step: Job description for each job are prepared, and the information they contain about the job's duties is usually the basis for ranking jobs. Sometimes job specifications are also prepared. However, the ranking method usually ranks jobs based on the whole job, rather than on several compensable factors. Therefore, job specification, which tend to list job demands in term of compensable factors such as problem solving, decision making and skills, are not as important with this method as they are for other job evaluation methods.
- ii. ***Select and Group Jobs:*** It is usually not practical to make a single ranking for all jobs in an organization. The usual procedure is to rank jobs by department or in cluster (such as factory workers or clerical workers). This eliminates the need for direct comparison of, say, factory jobs and clerical jobs.
- iii. ***Select Compensable Factors:*** In the ranking method, it is common to use just one factor (such as job difficulty) and to rank jobs based on whole job. Regardless of the number of factors you chose, it is advisable, to explain the definition of factor(s) to the evaluators carefully so that they all evaluate the jobs consistently.
- iv. ***Rank Jobs:*** For example, give each rater a set of index cards, each of which contains a brief description of a job. Then they rank these cards from lowest to highest. Some managers use an 'alternate ranking method' for making the procedure more accurate. Here you take the cards, first choosing the highest and the lowest, then the next highest and next lowest, and so forth, until you have ranked all the cards. For example:

<b>Rank No.</b>	<b>Ranking Order</b>	<b>Annual Pay Scale (in Rs.)</b>
<b>1</b>	Office Manager	43,000/-
<b>2</b>	Chief Nurse	41,000/-

3	Book-Keeper	34,000/-
4	Nurse	28,000/-
5	Orderly	23,000/-

Jobs in this table ranks from orderly to office manager. Upon ranking of these jobs, it is possible to slot additional jobs between those already ranked and to assign an appropriate wage rate.

- v. **Combine Ratings:** Usually, several raters rank the jobs independently. Then the rating committee (or the employer) can simply average the raters' rankings.

This is the simplest job evaluation method, as well as the easiest to explain. And it usually takes less time than other methods.

Some of its drawbacks derive more from how it's used than from the method itself. For example, there's a tendency to rely too heavily on 'guesstimates' (of things like overall difficulty), since ranking usually does not use compensable factors. Similarly, ranking provides no yardsticks for quantifying the value of one job relative to another. For example, job number 4 may in-fact be five times 'more valuable' than job number 5, but with the ranking method all you know is that one job ranks higher than the other. Ranking is usually more appropriate for small employers that can't afford the time or expenses of developing a more elaborate system.

### ***Job Classification Method of Job Grading Method***

It is a simple, widely used method in which raters categorise jobs into groups; all the jobs in each group are of roughly the same value for pay purposes. The groups are called classes if they contain similar jobs or grades if they contains jobs that are similar in difficulty but otherwise different.

In practice there are several ways to categorise jobs. One is to write class of grade description (similar to job description) and place jobs into classes or grades based on how well they fit these descriptions. Second, is to write a set of compensable factors-based rules for each class (for instance, how many independent, skills, physical efforts, and so on, does the class of jobs require?). Then categorise the jobs according to these rules.

The most popular procedure is to choose compensable factors and then develop class or grades descriptions for each class of grade in term of the amount or level of the compensable factor(s) in those jobs. For example, for few countries, job classification system includes following compensable factors:

- a) Difficulty and variety of works.
- b) Supervision received and exercised.
- c) Judgement exercised.

- d) Originality required.
- e) Nature and purpose of interpersonal work relationships.
- f) Responsibility.
- g) Experience.
- h) Knowledge required.

Based on these compensable factors, raters write a grade definition. For example,

Grade	Nature of Assignment	Level of Responsibility
GS-7	Performs specialised duties in a defined functional or program area involving a wide variety of problems or situations, develops information, identifies inter-relationships and takes action consistent with objectives of the function or program served.	Work is assigned in term of objectives, priorities and deadlines; the employee works independently in resolving most conflicts; completed work is evaluated for conformance to the policy; guidelines such as regulations, precedent cases, and policy statements require considerable interpretation and adaptation.

This GS-7 grade description is for the federal government's pay grade system. Then the evaluation committee review all job description and slots each job into its appropriate grade, by comparing each job description to the rules in each grade description. For instance, the federal government system classifies the positions of automotive mechanic, welder, electrician, and machinist in GS-10.

The classification method have several advantages. The main one is that most employers usually end up grouping jobs into classes anyway, regardless of the evaluation method they use. They do this to avoid having to work with and price separately dozens and hundreds of jobs. On course, the job classification automatically groups the employer's into job classes. The disadvantages are that it is difficult to write the class or grade description, and considerable judgement is required to apply them. Yet many employers use this method with success.

### ***Point Method***

Point method is a quantitative technique. This is the job evaluation method in which a number of compensable factors are identified and then the degree to which each of these factors is present on the job is determined.

It involved identifying,

- Several compensable factors, each having several degree, as well as,
- The degree to which each of these factors are present in the job.

Assume there are five degrees of ‘responsibilities’ a job could contain. Further, assume you assign a different number of points to each degree of each factors. Once the evaluation committee determines the degree to which each compensable factor (like ‘responsibility’ and ‘efforts’) is present in the job, it can calculate a total point value for the job by adding up the corresponding points for each factors. The result is a quantitative point rating for each job. The point method is probably the most widely used job evaluation method.

### ***Factor Comparison Method***

This method is a refinement of ranking method. With the ranking method, you generally look at each job as an entity and rank the job on some overall factor like job difficulty. With the factor comparison method, you rank each job several times- once for each of several compensable factors. For example, you might first rank jobs in terms of the compensable factor ‘skill’. Then rank them according to their ‘mental requirements’ and so forth. Then combine the rankings for each job into an overall numerical rating for the job. This too is a widely used method.

### ***Computerized Job Evaluation***

Using more quantitative Job Evaluation methods such as point or factor comparison can be time-consuming. Accumulating the information about ‘how much’ of each compensable factor the job contains involves a tedious process in which evaluation committee debate the level of each compensable factor in a job. They then write down their consensus judgement and manually compute each job’s point value or rankings.

Computer-aided job evaluation can streamline this process. Most of these computerised systems have two main components. There is, first, a structured questionnaire. This contains items such as ‘enter total number of employees who report to this position’. Second, all such system use statistical model. These allow the computer program to price jobs more or less automatically, by assigning points or factor comparison ranking to things like number of employees reporting to the position, pay rates of benchmark jobs and current pay.



### ***Check Your Progress-B***

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#### **Q1. Write True or False.**

- i. Moving employees from one job to another in a predetermined way is called Job Rotation.
- ii. The method that depends mainly on the ability and experience of the supervisors for gathering relevant information about the job is called the technical conference method.

- iii. The system of ranking jobs in a firm on the basis of the relevant characteristics, duties, and responsibilities is known as Job Enlargement.
- iv. The process of grouping of similar types of works together is known as Job Classification.

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## 5.7 SUMMARY

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- Job Analysis is the procedure of determining the duties and skill requirements of a job and the kind of person who should be hired for it.
- Job Description is a list of Job's Duties, responsibilities, reporting relationships, working conditions, and supervisory responsibilities- one product of a job analysis.
- Job Specification creates a list of Job's 'human requirements', i.e., the requisite education, skills, personality and so on- another product of a job analysis.
- Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same. It outlines the job responsibilities very clearly and also helps in attracting the right candidates to the right job. Further it also makes the job look interesting and specialised.
- Job Questionnaire is used to develop a detailed information regarding a particular job.
- Diary/Log is used for daily listing made by workers of every activity in which they engage along with the time each activity takes.
- Position Analysis Questionnaire is used to collect quantifiable data concerning the duties and responsibilities of various jobs.



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## 5.8 GLOSSARY

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**Job Analysis:** The procedure of determining the duties and skill requirements of a job and the kind of person who should be hired for it.

**Job Description:** A list of Job's Duties, responsibilities, reporting relationships, working conditions, and supervisory responsibilities- one product of a job analysis.

**Job Specification:** A list of Job's 'human requirements', i.e., the requisite education, skills, personality and so on- another product of a job analysis.

**Job Design:** Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same. It outlines the job

responsibilities very clearly and also helps in attracting the right candidates to the right job. Further it also makes the job look interesting and specialized.

**Organization Charts:** A chart that shows the organizations wide distribution of work, with titles of each position and interconnecting lines that show who reports to and communicates with whom.

**Process Chart:** A work-flow chart that shows the flow of inputs to and output from a particular job.

**Diary/Log:** Daily listing made by workers of every activity in which they engage along with the time each activity takes.

**Position Analysis Questionnaire:** A questionnaire used to collect quantifiable data concerning the duties and responsibilities of various jobs.



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## 5.9 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –A

1. Job Description
2. Job Analysis
3. Process Chart
4. Job Specification

### Check Your Progress –B

5. True.
6. True.
7. False.
8. True.



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## 5.11 SUGGESTED READINGS

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## 5.12 TERMINAL QUESTIONS

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Q1. Define Job Analysis?

Q2. Elaborate the process of Job Analysis?

Q3. Explain job design. Elaborate various approaches to job design.

Q4. Define job description?

Q5. Elaborate how to use Job questionnaire?

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## **UNIT 6 HUMAN RESOURCE DEVELOPMENT PRACTICES IN INDIA**

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- 6.1 Introduction**
- 6.2 Objectives**
- 6.3. Meaning of Human Resource development**
- 6.4 Evolution of HRD in India**
- 6.5 Human Resource Development Process**
- 6.6 Functions of HRD**
- 6.7 Principles of HRD**
- 6.8 HRD Practices in India**
- 6.9 HRD Strategies for 21<sup>st</sup> Century**
- 6.10 Summary**
- 6.11 Glossary**
- 6.12 References**
- 6.13 Suggested Readings**
- 6.14 Terminal questions**

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### **6.1 INTRODUCTION**

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In this unit you will learn about Human resource Development Practices, its evolution in India, Human Resource Development Process and HRD strategies used in organizations.

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### **6.2 OBJECTIVES**

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After reading this unit you will be able to:

- Understand the meaning of Human Resource Development.
- Know about the evolution of HRD in India.
- Understand various HRD principles.
- Understand various HRD strategies.

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## 6.3 MEANING OF HUMAN RESOURCE DEVELOPMENT

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The field of Human Resource Development (HRD) is quite old and well established. Human Resource Development is development process which focuses on the development of existing human resource and assists them in acquiring the required skill-set to achieve individual as well as organizational goals. This field believes that human being intentionally develops themselves to improve their working style which is a part of human nature. Human Resource Development is the composition that aims to succor employees in the organisation to polish their existing skillset and gain more knowledge and training to develop more competent skills. **According to T. V. Rao,** "Human Resource Development 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 to help people apply these skills for their benefit and for that of others."

**According to Leonard Nadler,** "Human resource development is a series of organized activities, conducted within a specialized time and designed to produce behavioral changes."

Human Resource Development is a continuous process that consists of three major elements:

1. Investment in human resource
2. Enhancement of productive capabilities
3. Utilization of human resource to increase output.

Investment in human resource means investing in skills of human resource. The development of the expertise will lead to earning money for enhancement of productive capabilities. As individuals will enhance their abilities, there will be an increase in output. The proper utilization of human skill will result in the growth of output for the organisation.

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## 6.4 EVOLUTION OF HUMAN RESOURCE DEVELOPMENT IN INDIA

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The evolution of Human Resource Development (HRD) relates to the recent past. The term HRD was coined in seventies and was used by American Society for Training and Development (ASTD) in the year 1968. HRD replaced the term Training and Development as sounding more attractive and reasonable to be applied in the industries. Training was not sufficient in developing the employees. Therefore, the professionals felt the need for extending their roles as trainers. The concern of employee involvement has always been on the minds of the managers. Hence to ensure employee development in the organisations required an extension in the role of trainers. The need was felt to coach and counsel the employees in the organisation. There was a need to develop and train employees in interpersonal skills specially training them towards problem solving approach and team building.

Late eighties and nineties witnessed a rapid growth in the field of Human Resource Development. Since the profession of HRD was expanding, the concern was majorly on discussions and rapid expansion of the subject. Leonard & Nadler published the books in 1980s which further clarified the field of HRD. In India, Larsen & Toubro was the first company to introduce the concept of HRD. The company built the integrated HRD system in its organisation. Xavier Labour Relation Institute established the centre of HRD and consequently held conferences to solicit input in this area. Till date the field is quite relevant and expanding. Though, the need for HRD was realised by the private companies much early, the public sector also began to establish a separate department of HRD within its premises. Over the period of time companies had realised that their survival without developed and skilled people is not possible and it is essential to train each and every employee if it wants to be on the top. Not only this, the public sector in India was suffering from poor working environment, lack of employee involvement, insufficient and irrelevant description of workers and high employee turnover. In order to resolve these problems there was felt a need for having a system which would help in curtailing the flaws. In 70s and 80s under the guidance of able leadership field of HRD witnessed rapid expansion. SBI and its associates were the first to incorporate HRD centre under the leadership of Udai Pareek. The progress of public sector in establishing HRD centre was commendable in 70s and 80s. The era of 90s was liberalisation which pressurised many organisations to work under pressure. The HR departments were forced to downsize the people and offer voluntary retirement schemes due to liberalisation, globalisation and privatisation. The public sector was not on a receiving end. There was cut throat competition as MNCs starting coming to India and challenged the existing system. Many talented leaders of public sector were lured by the private companies thereby challenging the fate of the public sector units. It took a considerable time for the public sector units to revive and compete with the private firms.

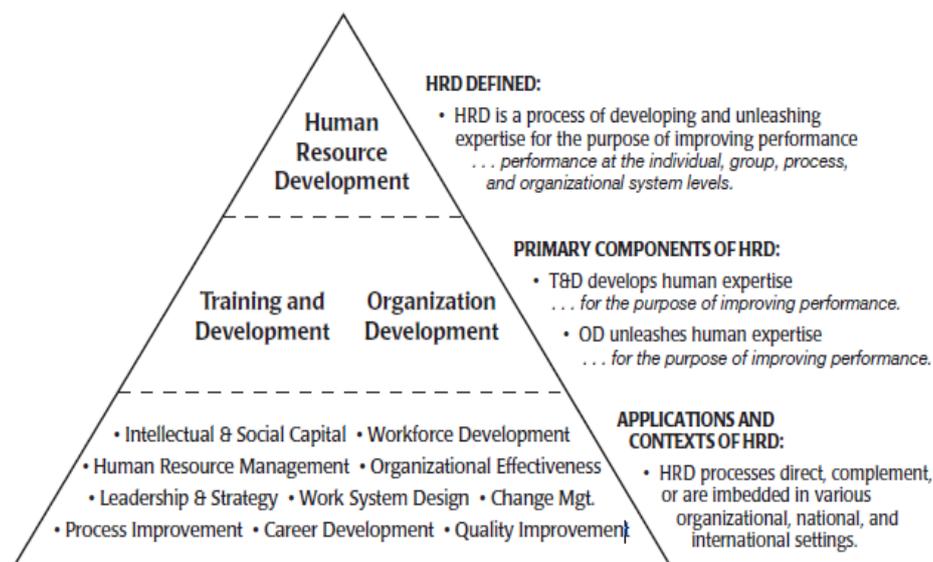
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## **6.5 HUMAN RESOURCE DEVELOPMENT PROCESS**

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T.V.Rao has suggested the following process for HRD:

1. Performance Appraisal
2. Potential Appraisal and Development (PAD)
3. Training
4. Career planning
5. Employees Welfare, Quality of work life, Rewards, Organisational Development and System Development and Human Resource information.



**Figure 1.1** Human Resource Development: Definitions, Components, Applications, and Contexts

Source: Swanson, 2008.

### Fig 6.1 Human Resource Development

The elements mentioned above are supported to develop, implement and promote the process of HRD as a cyclical process. All the elements are linked with corporate plans and human resource planning.

#### 1. Performance Appraisal:

It is the process of analysing employee performance and rating it accordingly. Performance appraisal is the assessment of task assigned to employees. The need of assessment of employee performance is to find out the efficiency level of employee. The performance analysis report is used in knowing the gaps and if the employees lack in skills they are trained which is done by the HRD.

#### 2. Potential Appraisal and Development:

It is done to find out the potential of the employee. This type of appraisal will help the employee to find out his actual capabilities. The organisation will provide training to its employee's for the development of their potential abilities. HRD focusses on development of those skills which establishes the employees as a brand in the organisation. Also, these skills develop employee competence which is required in organisational growth in the competitive environment.

#### 3. Training:

Training is to improve employee's performance by increasing employee's ability to perform. Those employees who have a deficiency in performance levels needs training. Training enhances the KSA in employees- K stands for knowledge, S stands for skills and A stands for attitude. Thus, training enhances knowledge, skills and attitude in employees which they use in the organisation and enhances their

performance. There are mainly two types of training provided in the organisation- On-the-Job Training and Off-the-Job Training. On the job training is imparted while the employee is working in the organisation and learning. Off the Job training is imparted to employees outside the organisation when they are not at their workplaces.

#### **4. Career Planning:**

Career planning will help to grow employee in his personal and professional life. One should plan his career before starting anything. Career planning is most important aspect of HRD. As the employee gains experience and skills he moves to the higher ladder in hierarchy. This is called as career progression. HRD is concerned with providing the right career path for every employee so that they can timely grow and develop in the organisation. As we know that employee is motivated when he moves from one level to another with increase in pay and rewards for his hard work and years spent in the organisation. Thus, HRD aims at career planning for employees so that they are motivated and work in the interest of the organisation with greater commitment and zeal.

#### **5. Employees welfare**

Every organisation should follow employee's welfare practices. This practice will help generate feeling of belongingness towards the organisation. Welfare of employees is the most important component of HRD as it creates a feeling of belongingness among the employees. The employees feel that the organisation is concerned for them and that they are also an important part of the organisation. The employees welfare leads to better standard of living and they will not leave the organisation if facilities are provided to them.

#### **6. Quality of work life**

Organisational climate and work culture will always encourage and inspire employee towards work. This will help in the achievement of organisational goals. The physical and psychological work environment leads to quality of work life among employees. Proper arrangement of tools, work environment, open communication and autonomy provides the sense of commitment to workplace.

#### **7. Rewards:**

Rewards are given to boost up the employees whose performance is extraordinary. This will motivate other employees too. Rewards are different from salary or wages. Rewards are the most important component of employee motivation. Rewards help in improving the performance of employees which will benefit the organisation in long run.

#### **8. Organisational Development:**

OD brings change in organisation climate, culture, values and structure of the organisation. Every employee should promote the change in the organisation and also support it. OD is possible with the help of interventions in the organisation which enable to bring change in the organisation. The process of OD is generally carried out with the help of outside consult also called as OD practitioner. The OD consultant

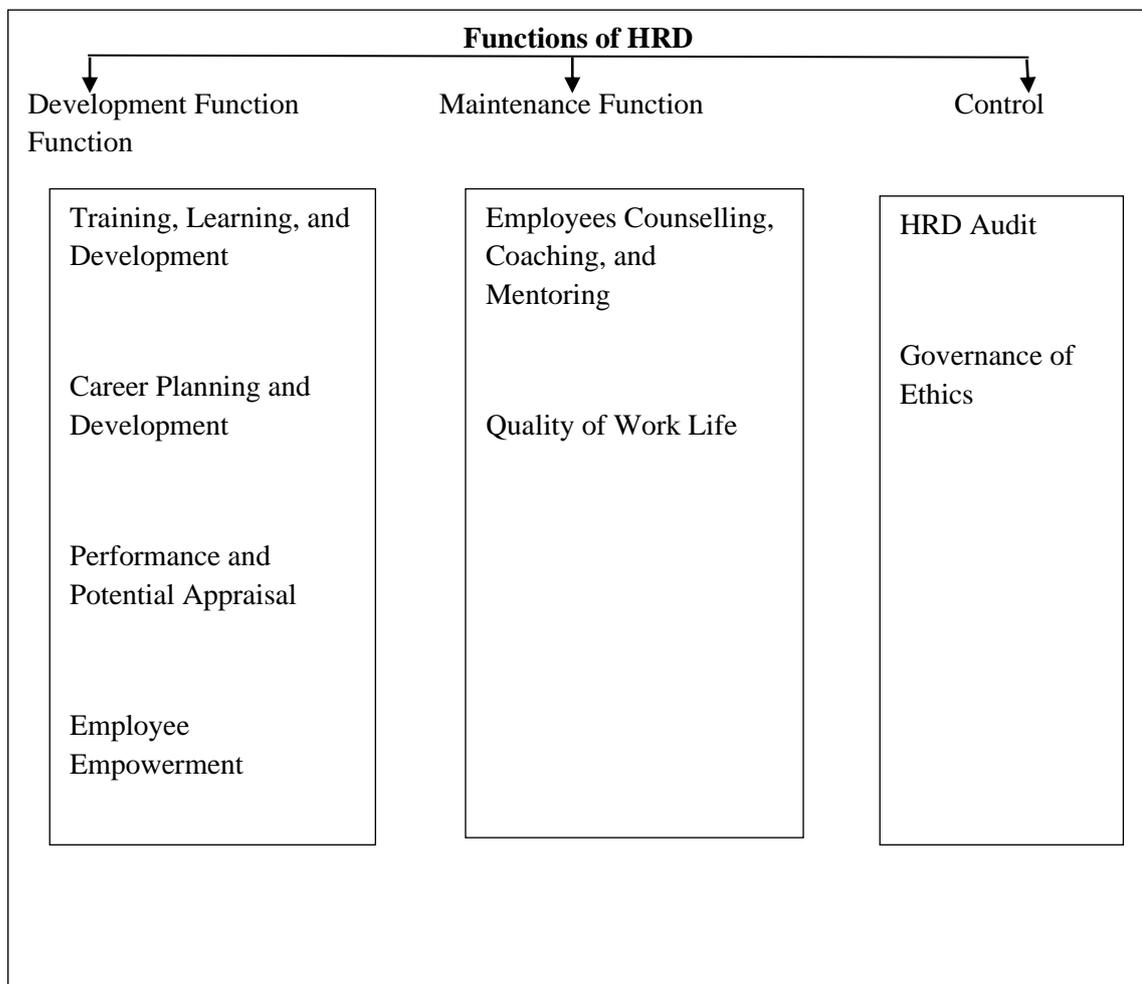
hired charges fees for rendering his services and signs the contract with the organisation which wants Organisational Development process to take place.

### 9. System Development and Human Resource information system

If there is any system upgradation or change in technologies, every employee should be ready to learn it and use it. HRIS these days has become important tool in the organisation to keep all the details of the employees and disseminating them and sharing with all the stakeholders who require it for effective decision making.

## 6.6 FUNCTIONS OF HUMAN RESOURCE DEVELOPMENT

There are three basic functions of Human Resource Development that is development function, maintenance function, and control function.



**Fig 6.2 Functions of Human Resource Development**

**Development Function**

This function focus on the overall development of the employee. Overall development means development of employees and their competencies. Competencies mean those attributes or skills that help in the functioning of the job role. In today's highly competitive nature of business, it is important to develop skill and competencies of employees for achieving organization goals and objective. For this, there should be appropriate programs such as training and development of employees, career planning and development, performance and potential appraisal, and employee empowerment.

Training is changing or improving behaviour of employees through learning. Behaviour means knowledge, skills, and attitudes of the individual. This change should be a systematic change. Training is very useful technique which can bring employees to a situation where he can perform his task correctly.

Development is the flexible and continuous process, where individual development leads to job goals and organizational goals. Development will focus on board skills and knowledge that can accomplish many jobs in the organization. With the entrance of new employees in the organization, training and development starts, usually in the form of employee orientation and induction. With this employee will get to know what organization wants from them and how to perform their task.

**Maintenance Function**

Maintenance function is related to the maintenance of employee satisfaction by handling grievances, difficulties, and problem, both at professional and personal level. Employees counseling, mentoring and coaching should be from done time to time so that their current performance should be maintained. Better quality of work life should be provided to the employees. Employees should have the opportunity to discuss their emotional problem so that they can be removed easily.

**Control Function**

This type of function relates to the control system in the organisation. Control function helps to maintain the relation between the employee, human resource development programs, and organizational goals and objective. Human Resource Development Audit is one of the control mechanism established in the organization. HRD audit is an evaluation of human resource development programs which include strategies, systems, practices, structure, competencies, etc. With this, organisation should follow ethical ways to promote human resource development programmes.

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## 6.7 PRINCIPLES OF HUMAN RESOURCE DEVELOPMENT

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### 1. Principle of Development of Organisational Capability

This principle states that there should be development in the capability of individuals and the organisation. Human Resource Development system should help the organization to boost existing capabilities. Capabilities include the skill sets that result in the overall development of human resource in the organisation, organizational health, enhancement in problem-solving skill, etc.

### 2. Principle of Potential Maximisation

This principle states that every organization should help the individual to recognize their potential. Also, it aims to contribute their best towards the other organization roles. Every employee should be given the opportunity to learn new skills for his growth and development. It is the responsibility of the organisation to provide such an environment in which the employees can learn new skills and use them in the development of the organisation. Improvement in the skills also improves the performance of employees.

### 3. Principle of Autonomy Maximisation

This principle states that system should help the individual to maximize autonomy through increased responsibility. If the employees are skilled they would have the ability to perform the task independently. Autonomy leads to creativity and innovation. The employees should be trusted and be given enough freedom to work themselves without supervision. This will increase the sense of responsibility in them and they will be more concerned about the organisation.

### 4. Principle of Maximum Delegation

This principle states that system should encourage decentralization through delegation and sharing of responsibility. Delegation also helps in empowering the employees and they take interest in discharging their duties. However, effective delegation exist if the employees are duly credited for their performance by the superiors. Delegation also helps the employees in bearing significant responsibilities and they earn a feeling of self-confidence of carry out the work themselves. Maximum delegation also improves the quality of work and the organisation is able to achieve the best work from its employees.

### 5. Principle of Participative Decision- Making

Employees should be involved in the decision making process of the organization. Their suggestions should be incorporated. Participative decision making brings the feeling of ownership in the employees and they fee management is concerned about them and their welfare. Participation of employees in the decision making process helps the management in getting acceptance from the employees easily and they will not resist any kind of change if the organisation wish to bring in.

### 6. Principle of Change Management

There should be balance in current organizational culture and change in organization culture. Change brings development in the organization and this should be done taking employees into confidence. Change is permanent feature of any organisation.

To remain in the competition it is essential that the organisations adopt the changes quickly and completely. But doing so is not very easy as the employees resist any kind of change in the organisation.

#### **7. The Principle of Periodic Review**

The principle states that there should be regular and continuous review and renewal of the human resource development. The review process helps in finding the mistakes and taking corrective action for future. The deviations are noted and the mistakes are removed. Periodic reviews also help in correcting the problems whenever they occur so that they do not create problem at the end.



#### ***Check Your Progress-A***

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**Q1. Define HRD. What is the importance of HRD in organizations?**

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**Q2. What is meant by development function of HRD?**

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**Q3. Discuss the principles of HRD in brief.**

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## 6.8 HUMAN RESOURCE DEVELOPMENT PRACTICES IN INDIA

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Human Resource Development has emerged as an applied field with the purpose of developing, training, counseling and auditing the human resource in the organization. In India, the evolution of HRD can be traced back from 1974 onwards when Larsen & Toubro Ltd. had established an independent HRD department. Another landmark was the evolution of National HRD Network in 1985, which is an autonomous institution of learning and sharing experiences of renowned scientists, academicians and HRD professionals.

Though in world scenario, the neo-classical theorists have recognized the importance of human resource and have shifted their focus towards development of human resource to optimize the productivity. In India, the need for the development of human resource intensified post the economic liberalization in the year 1991. India in the year 1991 implemented Liberalisation, Privatisation and Globalisation policy and opened doors of the Indian economy for rest of the world for liberalised trade thus intensifying competition for domestic industries and human resource. The studies reflect that a short term perspective is adopted in managing the human resource. Consequently, managerial actions in this field have been marked by reactivity and adhocism rather than proactive approach. In many organisations the HRM functions have been artificially divided into HRD.

The Human Resource Development in India is characterised by the following:

1. It is difficult in adopting the HRD practices in the organisations where the Trade Unions are strong. Due to lack of co-operation between unions and management it becomes difficult to implement a good HRD system. Due to this the organisations are not able to adopt innovative practices.
2. Adoption of HRD practices in large organisation is easier than adopting by small organisations. The obvious reason is the cost and resources involved to implement the HRD system. Thus, large organisations are at advantage in comparison to the small organisations.
3. Strong leadership is very important in implementing HRD Programmes. Thus, organisations which are strong are able to implement HRD practices. Role of strong leadership has always been a matter of concern as far as quality is concerned. Any organisation can become a high performing organisation with its strong leadership.
4. Irrelevant job descriptions and lack of professional attitude also hinders the growth of HRD practice. Apart from good leadership a professional attitude is also essential to carry such practices and imbibe them in the employees and the organisations. It is high time when organisations have to realise that investing on people is never an expenditure rather its an investment. Skilled people are the assets of the organisation.

To survive and grow, the global competition made it mandatory for domestic industries to focus and develop their human resource and train their employees and impart skills to make

them efficient to face the global challenge and thrive in the volatile environment. It's just the past decade during which the field of the human resource development (HRD) made to next level. Organisations have started to invest in the development of their human resource, and innovative strategies and methods are being developed and adopted to the polish skill set of human resource to enhance their effectiveness and efficiency and achieve higher productivity by overall development of human resource.

However, implementation of HRD in Indian organizations is still a challenge due to the following factors:

- a. **High cost of implementation:** Implementation of HRD, especially in a large organisation involves high cost of training and development . High investment is needed to practice HRD in an organisation as HRD needs intense research to develop an innovative model and implement the same in the organisation.
- b. **Lack of expertise:** HRD requires a high level of expertise to develop and implement innovative techniques to train, develop and appraise human resource to boost their productivity. HRD needs to be professionally managed and demands to identify the key elements influencing human resource, develop the strategic model and arrange the needed resources to implement HRD successfully.
- c. **Changing Environment:** Due to the emergence of new ideas and innovation, there is a lot of change due to drastic transformation in the work setting of an organisation as compared to traditional.
- d. **The impact of technology:** Technology has a significant impact on the skills possessed by the employees. Their skills become obsolete which forces them to learn latest technology and keep themselves updated. All this incurs high cost of training and development. It's high time when organizations must realise this and constantly strive to develop their workforce for higher productivity.
- e. **Changing workforce demographics:**

The rapidly changing workforce is yet another challenge to organizations these days. Generation Y employees will soon replace Generation X employees. The expectations and capabilities of Generation Y differs to an extent that the organizations have to revisit their development policy to retain people in their organizations.

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## 6.9 HRD STRATEGIES FOR 21<sup>ST</sup> CENTURY

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The approach to managing human resources has undergone a revolutionary change in 1990s. International organisations such as World Bank, UNDP and ILO have recognized the relevance of HRD. To survive, the organizations need to have a vision, a mission and a strategy.

Researches indicate that HRD strategies may contribute to winning employee commitment, values, culture of trust and a responsive organization. Some of the pertinent strategic issues are given below:

- a. **Retaining Talent-** Motivating, attracting, managing and nurturing talent is one of the most critical HRD strategic issues. The organizational culture must encourage their employees and focus on nurturing them so that the talent can be retained in the organization.
- b. **Managing Performance-** Employers should evolve Performance Management System which allows employees to become more autonomous. They should know the benchmarks against which they would be evaluated and the linked rewards for exemplary performance.
- c. **Training and Development-** The focus of training and development programme should be on behavioural aspects, career planning, continuing education and training. The purpose of training and development should be to reduce chance of skill obsolescence and increase self-directed leadership, self-motivated team work and sense of autonomy.
- d. **Rewards and Recognition-** Reward mechanism is key to motivate talented employees. Timely rewards and quality of work life enhances the productivity. Non-monetary rewards like recognition and opportunities for growth are yet another ways to motivate the employees.



### ***Check Your Progress-B***

**Q1. HRD strategies play a significant role in the growth of organization. Discuss.**

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**Q2. Discuss the various HRD strategies in brief.**

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**Q3. What is meant by reward and recognition strategy?**

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## 6.10 SUMMARY

HRD has occupied prominent position in organisation. A conceptual framework for HRD, Evolution of HRD , functions of HRD and principles of HRD is thoroughly described. HRD practices in India forms the major component of this chapter. Attempt has been made to highlight the challenges in the field of HRD. The chapter concludes with the strategies of HRD.




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## 6.11 GLOSSARY

**HRD-** Human Resource Development 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 to help people apply these skills for their benefit and for that of others.

**Quality of work life-** It refers to the favorableness or unfavorableness of a job environment for the people working in the organization.




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## 6.14 TERMINAL QUESTIONS

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- Q1. “Organizations don’t change. People change. And then people change organizations.” How does HRD change people?
- Q2. Does HRD help in enhancing Quality of Life? If yes, how and also cite at least two examples to justify the statement.

**Block II**  
**HRD and Motivation**

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## UNIT 7 STRATEGIC INTENTS OF HRD

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### 7.1 Introduction

### 7.2 Objectives

### 7.3 Strategic HRD: Concept and Importance

### 7.4 Characteristics of Strategic HRD

### 7.5 Objectives of Strategic HRD

### 7.6 Framework for Strategic HRD practices in Organisations

### 7.7 Strategic Intent and HRD

### 7.8 Factors Affecting Strategic HRD

### 7.9 Summary

### 7.10 Glossary

### 7.11 Answer to Check Your Progress

### 7.12 Reference/ Bibliography

### 7.13 Suggested Readings

### 7.14 Terminal & Model Questions

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## 7.1 INTRODUCTION

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The changing business and cut throat competition compels the organisation to remain alert and welcome change in the organisation so that they can stay in the market. A shift from capital intensive and labour intensive organisation to knowledge organisation is the new normal. The organisations are being defined as learning organisations which are concerned with personal and organisational growth. The changing nature of business has also forced the HRD to become a strategic tool so that organisational objectives are attained and organisational effectiveness is achieved. This chapter deals with the strategic role of HRD in business and the intents which leads to attainment of overall business goals.

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## 7.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand the meaning and purpose of Strategic HRD.
- Explain the process of Strategic HRD.
- Meaning of Strategic intent and its role in HRD.
- Characteristics of effective HRD.

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### **7.3 STRATEGIC HRD: CONCEPT AND IMPORTANCE**

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The term strategy refers to the plan of action to attain organisational goals. Business strategy refers to all the actions and decisions taken by the firm to achieve business goals and remain competitive in the market. The organisations try to gain competitive advantage by developing their core competencies in the organisation. Thus, when we talk about the core competencies they can be product, services, technology or human resource through which an organisation can always remain competitive in the business environment.

To ensure successful business strategy it is important that the HRD is used as a strategic tool by organisations to develop their manpower for the overall organisational growth. Thus, there comes the concept of strategic HRD.

Strategic HRD can be defined as “human resource development functions, policies and practices that emanate from the strategic activities of the organization”.

The need for strategic HRD can be understood in terms of changes in the pattern of doing business and increased focus on human development in the organizations. The new business environment is characterized by globalization in which the organizations are faced with competition and pressure to perform so that they can stay in the market. Thus, the business environment forces the organization to bring change and meet the expectations of the customers and all the stakeholders. Today’s organizations are value driven organizations and the same has to be communicated in the organization so that the stakeholders work according to the set rules and principles which do not defy the ethics of the organization. If the organization is not value driven it will not be able to stay in the market for long. Along with this the retention of talented workforce is another challenge in the new business environment.

The new business environment has also created pressure for the employees as they need to be updated with the latest trends and technology. Employees are now open to the learning environment and ready to transform as per the needs.

#### **FEATURES OF STRATEGIC HRD**

1. Strategic HRD should be linked with the organizational strategy so that the overall mission and goals of the organization can be attained. This is also called as vertical integration.
2. Strategic HRD should be linked with the existing human resource policies and practices of the organization so that any decision taken by the HR manager incorporates the need for HRD in the organization and that all the other functions are carried out in collaboration with the need for HRD in mind. This kind of integration is also called as horizontal alignment.

3. The strategic HRD aims at building proactive climate in the organization in terms of learning. The aim is to convert every organization into a learning organization. This will help the organization to identify the required changes and embrace the change accordingly.

4. Strategic HRD also focusses on the intervention strategies at all the levels i.e. individual, team and organizational level.



### *Check Your Progress-A*

#### **Q1. Define Strategic HRD.**

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#### **Q2. What are the features of Strategic HRD?**

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#### **Q3. What is the importance of Strategic HRD in organisations?**

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#### **Q4. MULTIPLE CHOICE QUESTIONS:**

- i. What is strategy?
  - a. Mission
  - b. Culture
  - c. competition
  - d. planning
  
- ii. How does HRD offer competitive advantage to an organization?
  - a. Removing performance deficiencies.

- b. Deficiency is caused by lack of ability
  - c. Individuals have the aptitude and motivation to learn
  - d. None of the above.
  
- iii. Which of these is vertical alignment?
  - a. linkage to organisational strategy
  - b. linkage to hr policies
  - c. linkage to competitor
  - d. linkage to customer
  
- iv. A statement about what an organization wants to become, which sets out an organization's future, is referred to as:
  - a. mission
  - b. values
  - c. organizational goals
  - d. vision
  
- v. A statement that sets out what the organization wishes to achieve in the long term is referred to as:
  - a. mission
  - b.vision
  - c.values
  - d. strategic context

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## **7.4 CHARACTERISTICS OF STRATEGIC HRD**

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The characteristics of strategic HRD are given below:

1. Integration with HRM Policy- The integration of business strategy with the HRM policy will lead to better alignment in the decision taken for the growth of the organisation. When the business strategy is aligned with the HRD objectives, it will lead to execution of all the functions in a collaborated manner rather than separately.
2. Involvement of Line Managers- To incorporate strategic HRD it is essential to involve the line managers who are the decision makers in the organisation. Although HRM

could be an advisory function in the organisation but its alignment with the core functional decision making is important for organisations growth, Thus, the line manager will take more interest in the growth of the HRD who in turn will work for the organisations' revenues.

3. Motivation of Trainees- Strategic HRD also require the motivation of the trainees who are asked to learn new knowledge and update themselves. The trainees must realise that the new learning will lead to their own growth and development in the organisation in terms of promotion and rewards.
4. Transformation from training to learning- It is also essential in the strategic HRD environment to understand the importance of learning over training. This suggests that an approach of learning is much appreciated than the approach of getting trained in the concept or knowledge. Thus, the employees should be motivated enough to learn themselves as the changes are required due to external pressure and competing in the market. This is the reason why learning organisation concept is favoured over organisational learning because learning organisation are open to the outside change and believe in continuous learning.
5. Support of Top Management- To evolve strategic HRD environment it is essential that the top management realise the importance of aligning HRD in the core business areas and functions. The decisions should be taken keeping in view the needs of the employees and thinking how to improve their competency. The support of top management is important to develop Strategic HRD framework in organisations.

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## **7.5 OBJECTIVES OF STRATEGIC HRD**

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Following are the objectives of strategic HRD in organisations-

1. Integration of Business strategy with HRD policies- the first objective of strategic HRD is to align the business strategy with the HRD policies of the organisation so that they can be used as an competitive advantage against the competitors. With alignment of business strategy the executives are able to make proper decisions.
2. Building learning culture- Another objective of Strategic HRD is to create and facilitate learning culture in the organisation so that the employees are motivated to take new knowledge and this in turn will help the organisation to perform against the competitors.
3. Develop leadership ability- The purpose of strategic HRD is to develop leadership and managerial ability in the employees so that they can take important positions in the organisations.
4. Building Competency- The aim of HRD is to build competency among employees which can act as a competitive advantage to face the competitors. Since availability of

competent workforce is essential to grow in business therefore it is high time organisation should realise the importance of training and treating their employees as assets and not liability.

5. Employee Training- Employee training is an essential part of any Strategic HRD framework as employees are trained as per the international standards and in such a way that their training is useful not only in India but abroad,
6. Talent Management- This is yet another important component of HRD as HRD is supposed to take care of employees, their skills, knowledge which can be used in business.
7. Motivation- Motivation of employees is very important because if the organisation fails to motivate the employees they will not show keen interest in learning and hence it will be a loss to the organisation.

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## **7.6 FRAMEWORK FOR STRATEGIC HRD PRACTICES IN ORGANISATION**

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Business organisations have realised the importance of competent and motivated workforce in the growth of the business and thus they felt the need to link business strategy with HRD. There is a proper way in which HRD process is designed in alignment with the business strategy to achieve maximum returns. M.McCracken and M.Wallace, 2000 have given a framework for strategic hrd practices which was published in Journal of European Industrial Training. This HRD framework consists of input, transformation and output. The framework given by Cracken & Wallace is given below :

- I. INPUTS- Strategic HRD Practices
  1. Integration with organisational mission- The existing HRD practices are aligned with the business strategy. The HRD objectives are aligned with the organisational objectives to face the competition. Anu business organisation aspires for continuous and high growth opportunities but in the face of tough competition it becomes difficult .Thus, alignment with company policies and practices will empower the organisation to face the challenges fearlessly.
  2. Top management support- For an effective HRD practices the support of the top management is very essential. If the top management do not realise the importance of HRD, it will not allocate funds for the employee development trainings and programmes. This will inhibit the growth of the organisation.
  3. Environmental Scanning- For every organisation it is essential to scan the opportunities and threats in business. The organisation must try to exploit the opportunities in such a way that they become the strengths of the organisation. The

weakness must be removed by overcoming the shortcomings and developing the employees.

4. HRD plans and policies- The HRD plans and policies are the input for framework of HRD strategy which are to be transformed to attain the Strategic HRD outcome.
5. Recognition of culture- For effective HRD strategy it is important to recognise the culture in which hrd practices are operational. If the organisational culture promotes employee development it certainly helps in evolving and transforming the organisation.
6. Emphasis on evaluation- The evaluation of HRD interventions will tell whether the interventions were effective or not. Thus, evaluation should be considered as integral part of the HRD practices.

## II. TRANSFORMATION- ORGANISATIONAL LEARNING

1. Knowledge Acquisition- Once the inputs are recognised they are ready to be transformed. The organisation is ready to acquire new knowledge. To update with the latest trends and technology it is essential to acquire new concepts and skills. Thus, acquisition is the important part of transformation.
2. Knowledge distribution- Once the knowledge is acquired, it is transferred and distributed in the workplace.

## III. SHRD OUTCOMES

1. Shaping organisational mission- Once the inputs are transformed they result in the outcomes in terms of organisational mission.
2. Top management leadership- The leadership of top management decides the effectiveness of HRD programme.
3. Strategic Partnership with HRM- The HRD practices are linked with HRM strategies and policies.
4. Trainers as change consultant- The trainer in the organisation are now considered as consultants because they have experience of solving the problems.
5. Ability to influence corporate culture- HRD strategy enables to influence the corporate culture.
6. Emphasis on individual productivity and participation- The HRD strategy focusses on individual productivity and participation in the development activities in the organisation.

The effective development and implementation of strategy depends on the strategic capability of the organization, which not only include the ability to formulate strategic goals but also to develop and implement strategic plans through the process of strategic management and strategic planning.

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## 7.7 STRATEGIC INTENT AND HRD

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According to Landrum, Strategic intent is defined as strategic direction and destiny to be pursued by the company. It tells what the organisation intend to attain in future. Strategic intent consists of organisation vision, mission, business model and goals. These are explained below:

1. Vision- This is the defined as where the company wish to see itself in next five or ten years down the lane. This is the future reflection of the company stated in one or two sentences. Vision gives the idea of what the company aspire to do in the coming years.
2. Mission- This is defined as long term plan of the organisation which it wants to attain. It actually tells the purpose of the organisation which also indicates the strategies to achieve that purpose.
3. Business Model- This reflects the ways and process in which mission will be accomplish.
4. Goals- This can be defined as the standards which the organisation seeks to attain in future. Goals can be both long term and short term.

The strategic intent of HRD aims at developing such a system where the organisations are able to develop the employees so that they can face the competition. The employees are trained in such a way that they always become the strength of the organisation. Introducing new techniques of work, technology, norms and methods is the purpose of Strategic HRD which can be attained only when the top management realises its importance. If the employees do not develop it becomes difficult for the organisations to survive. Thus, HRD has to generate vision , mission, business model and goals to achieve this objective. These strategic intent should align with the business strategy so that both work in collaboration.

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## 7.8 FACTORS AFFECTING STRATEGIC HRD

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Any organisation to succeed requires correct assessment of needs of its individuals. The employees are required to be trained as per the present and future needs. Thus, HRD should focus on both the present and future needs to succeed n the competitive world. Needs can be classified into present needs and future needs. In organizations employees may require updating in their skill sets for the immediate needs arising in the organization.

Present Need	<ol style="list-style-type: none"> <li>a. Role Clarity</li> <li>b. Leadership development</li> <li>c. Decision making Skill Development</li> <li>d. Quality Consciousness Development</li> </ol>
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	e. Improvement in productivity
Future Needs	a. Technological change b. Changes in roles c. Updating skill d. Career planning

Apart from this, needs can also be classified at three levels:

- a. Individual needs-These are the needs which are essential for self growth and development. Usually such needs are referred to as Knowledge, Skills and Attitude (KSA) required by an individual to perform the given role and targets.
- b. Occupational needs- For quality output and fulfilling competence gap group effectiveness is essential. Therefore, team development, group dynamics are some of the areas where occupational needs are assessed.
- c. Organizational needs- Organizational goals are attained only when the organization strives for high performance. But this is possible with overall development of the organization. Organizational Development and MBO techniques are the common needs under this level.

There are several factors which affect these development needs. These are given below:

1. Competency based HRD- The strategic HRD is successful only when it focusses on developing the competent workforce in the organisation. The competent workforce will be able survive the challenges of the competitors and hence will be able to improve the performance of the organisation in long run.
2. Evaluation of HRD Interventions- The interventions used in Strategic HRD should be properly evaluated to know the effectiveness. Whether the interventions have resulted into improved performance will decide the success of HRD programme in organisation. After successful HRD intervention, the organisation can feel the positive change and can influence the employees for better performance in future.
3. Competitive Advantage- The strategic HRD will be effective only when it will be able to produce competitive workforce and retain them in the organisation for long term. To do this motivation of employees is also very essential. If the employees know that their learning will be rewarded, they will put all their efforts in learning and getting trained which will impact the performance and growth of the overall organisation.
4. Business and work process integration-The success of strategic HRD also depends upon the integration of work process and business strategy. These will lead to a learning culture and the departments will be ready to work together for the growth of the organisation.



### ***Check Your Progress-B***

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#### **Q1. Define Strategic intent.**

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#### **Q2. Discuss the hierarchy of strategic intent.**

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#### **Q3. Discuss HRD strategies.**

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## **7.9 SUMMARY**

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With the emergence of strategic management in modern organizations, there is an ever-increasing need for strategically steering managerial practices into strategic management. The most effective way is to integrate the HRD policy and practices with organizational strategy while aligning it with global-arching human resource management (HRM). Since Strategic intent reflects the future goals of the organization and where an organization intent to be, its need cannot be ignored. Strategic intent is required for proper framing of objectives and policies to attain the decided goals.



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## 7.10 GLOSSARY

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**Need Assessment-** Needs assessment identifies the gap between desired performance and actual performance.

**Strategic Intent-** Strategic Intent can be described as the intention of the organisation-what it means to do and how will it attain the set goals and objectives.



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## 7.11 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –A

- i. D
- ii. A
- iii. A
- iv. A
- v. B



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3. Strategic Human Resource Development : Concepts And Practices- By Kesho Prasad
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## 7.14 TERMINAL QUESTIONS

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- Q1. What are the steps in Strategic HRD framework?
- Q2. What are the factors affecting Strategic HRD in organisations?
- Q3. Explain in detail the HRD strategy Model.

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## **UNIT 8 MOTIVATIONAL ASPECTS OF HUMAN RESOURCE DEVELOPMENT**

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### **8.1 Introduction**

### **8.2 Objectives**

### **8.3 Meaning of HRD: Features and Objectives**

### **8.4 Improving Performance through Motivation**

### **8.5 Motivation: Concept and Objectives**

### **8.6 Role of HRD Managers in Motivating Employees**

### **8.7 Motivation Theories and HRD**

### **8.8 Motivational aspects of HRD**

### **8.9 Summary**

### **8.10 Glossary**

### **8.11 Answer to Check Your Progress**

### **8.12 Reference/ Bibliography**

### **8.13 Suggested Readings**

### **8.14 Terminal & Model Questions**

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## **8.1 INTRODUCTION**

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Rapidly changing organizations are required to modify their systems and resources accordingly. Though today's human resources are more confident and smart but when it comes to accept the change they show their resistance. But to make the perfect fit between employees and the organization it is important that they are being trained and developed in such a manner that their level of enthusiasm become high and they get motivated to perform their present and future job's responsibilities in best possible manner. HRD is an integrated process of enhancing and developing employee's Technical skills, Conceptual skills and Human skills. It involves recognizing the inner talent and hidden strengths of individuals through some formal or informal process. It happens lot many times that employees with efficient potentials are not able to perform well because of their low morale and confidence. Human Resource Development facilitates the employees to unleash their expertise so that they can utilize their untapped potentials. It removes their hesitations and motivates them to

achieve the perfect fit. A good HRD program could be a tool to motivate employees to enhance their mental ability, removing their communication barriers, open new and positive fronts for them to show their competency etc. HRD is a responsibility for top management. When top managers plan and implement a development program, they show some kind of believe and trust in their employees and this trust helps in fostering confidence and motivation in employees. In this chapter we will discuss about HRD and its basic concepts, motivation and motivational aspects of HRD.

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## 8.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand the meaning of HRD
- Understand the meaning of motivation.
- Learn motivational theories.
- Learn the role of HRD managers.

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## 8.3 MEANING OF HRD: FEATURES AND OBJECTIVES

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In today's globalised era, industrial scenario is changing rapidly and it is the requirement of the time to develop the human resources accordingly because this is the only resource which can produce unlimited through better ideas. The large scale organizations are making efforts to remain flexible in order to mitigate the change. Effectiveness of an organization depends on the quality of its human resource. Organization does huge investment for the development of its employees because employees are treated as assets with unlimited potential. The vitality of employees depends largely upon their efforts to get updated and trained in new knowledge and skills.

### 8.3.1 FEATURES OF HUMAN RESOURCE DEVELOPMENT

**There are various features of HRD which further explains the concept in detail. These are:**

- 1. HRD as a system:** The field of HRD can be understood as a system in which there are various sub components interlinked with each other. Thus, HRD has a systematic approach in which all the activities are planned carefully and implemented as per the plan.
- 2. Dynamic Process-** HRD is a dynamic in nature. It changes from time to time. As the technology becomes obsolete so is the knowledge. Thus, HRD aims at continuous development of employees in the organisation. Also HRD focusses on constant growth of the organisation as a whole.
- 3. Behavioural Science Approach-** The field of HRD has been derived from various disciplines like psychology, sociology, anthropology, economics and political science.

The knowledge of these disciplines is used in understanding and developing people in organisations.

4. **Macro and Micro Aspects-** At macro level HRD is concerned with the growth and development of the organisation but at micro level HRD is concerned with individual growth and personal development. This way HRD not only thinks of the welfare of the organisation but also welfare of the employees and in turn welfare of the nation.

### 8.3.2 OBJECTIVES OF HUMAN RESOURCE DEVELOPMENT

HRD aims at creating an environment in which people get opportunity to develop and grow. The basic objective of HRD is to provide developing culture in which there is support of top management and the funds are allocated for meeting the training needs of the employees. The three main objectives of HRD are listed below-

1. **Equality-** The first objective of HRD is to ensure equality towards all employees in terms of providing opportunities to grow and develop. This refers to the promotion and rewards given to the people on the basis of their performance, each employee has the right to perform and earn rewards but this will be possible only when each and every employee of the organisation gets the opportunity to learn and grow.
2. **Competency-** Building a competent workforce is essential for any organisation. If the employee is competent he can be easily absorbed by any organisation. Thus, to get new knowledge and update in skills is the right of every employee but there are organisation which do not pay attention to these needs of the organisation due to which career path of the employee gets disturbed and they are never able to perform upto their full potential.
3. **Continuous Training-** HRD believes in continuous training of employees so that they can embrace change in the organisation. Since the business environment is very dynamic and constantly changing it is important that the employees learn new knowledge and concepts to remain abreast with the latest changes.

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## 8.4 IMPROVING PERFORMANCE THROUGH MOTIVATION

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Every organization wish to become high performing organization. To achieve high performance it is essential that the employees are developed to the extent that they become competitive advantage for the organization. Developing right competencies in employees is essential to face the tough competition. But employees will learn only when they are motivated. Thus, motivating employees for high performance is a challenging task for HRD. The changing workplace and ever changing methods of doing work has always gained attention of the organization to tackle the resistance from the employees. But HRD strives hard to keep the employees motivated and encouraging them to learn continuously.

HRD can motivate and improve the performance of employees if the following components are included :

1. Treating Employees Fairly- HRD must ensure that the work distribution in organization is done on the basis of equity so that every employee share the equal workload. Thus, principle equity and fairness in selecting the employees for training is also essential. The employees should be rewarded fairly on the basis of performance. This will help in gaining the trust of employees and they will be motivated to learn.
2. Joint Goal Setting- To motivate employees to learn new methods and processes it is important that they are involved in the process of setting goals and work priorities. This will enable them to select the tasks themselves according to their ability and they will be able to foresee the areas in which they need to develop for future. Thus, joint goal setting is a procedure used by HRD to motivate employees.
3. Rewarding Good Performance- Employees gain sense of achievement after learning new things, concepts and applying the same in the organization. This instill feeling of self confidence in employees which is very essential for high performance. Thus, HRD must ensure that the employees are rewarded so that they develop zeal towards committed work and with the feeling of belongingness and not as burden.
4. Providing Challenging Work- HRD should try to provide challenging work to the employees so that they feel they are equally useful for the organization and are important part of the workplace. This also reflects that organization believes in their capability and thus allotting them such responsibilities. Thus, HRD plays a significant role in encouraging and motivation the employees towards continuous learning and development.
5. Recognition- Another important component is recognizing the hard work of employees. This will motivate them and they will feel satisfied with the work they have performed. Recognizing employees is a good gesture which do not involve any monetary rewards but it has great impact on the though process of the employees and building self confidence in them.



### *Check Your Progress-A*

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**Q1. Discuss features of HRD briefly.**

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**Q2. What is meant by joint goal setting?**

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**Q3. What are the essentials for high performance?**

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**8.5 MOTIVATION: CONCEPT AND OBJECTIVES**

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The term motivation is derived from the word 'motive'. Motive is defined as the drive or need to attain the goals through which an individual derives pleasure and satisfaction. Thus, motivation can be understood as a drive to attain the goals which leads to contentment. The process of motivation starts with the need felt by an individual. This need results into tension to satisfy the need. Tension gives rise to efforts which the individual make to satisfy the needs. Finally efforts made leads to attainment of goals or fulfilling of needs. When the goal is attained, the employee moves to another goal or satisfying another need. Thus, the process continues and an individual shifts from one need to another throughout his career span in the organisation. The motivation to achieve the desired goals results into behaviour modification which is an important component of motivation. Through motivation, employees behaviour can be changed and they can be directed towards reflecting the behaviour as desired by the organisation.

Motivation has several features. Motivation is a continuous process. It is goal oriented and leads to job satisfaction in organisation. It is a complex process to understand but once understood by the organisation can result into high performance.

The objective of motivation is to enhance the performance of employees. Other objectives are given below:

1. Increase employee morale- Motivation helps in increasing the morale of the employees as they always feel high while performing . When employees know that they will be able to satisfy their needs then they work with full enthusiasm in the organisation.
2. Enhance productivity- Employee motivation leads to employee productivity. The employee work better than before and the organisations grow as per their expectations and targets.
3. Sense of belongingness- Motivation helps in generating sense of belongingness among the employees. Employees feel to be the part of the organisation and always work for the betterment of workplace. They always remain concerned about the growth of the organisation when they are motivated.
4. Reward the hard work- The objective of motivation is to reward the good work done by the employees. The employees are recognised for high performance.

5. Building Innovative Culture- Motivating environments leads in developing innovative culture where employees work with full autonomy and is rewarded for creation and innovation. Thus, motivation helps in building an innovative work culture.

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## **8.6 ROLE OF HRD MANAGERS IN MOTIVATING EMPLOYEES**

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HRD managers play eminent role in motivating the employees. The HRD manager acts as a guide, facilitator, role model and consultant to the employees in the organisation to bring change and behavior modification. Following are the other roles of the HRD manager in organisation-

1. Role of Facilitator- HRD manager acts a facilitator in guiding and explaining things to the employees whenever they face problem.
2. Role of consultant- HRD manager also acts a consultant to the employees and they provide solutions to the employees.
3. Role of Counselor- HRD manager act as a counselor to employees and helps them in overcoming the tough times in the organization. The managers also help employees in resolving the problems which are very personal or confidential for employees.
4. Acts as a Role Model- The HRD manager also acts a s role model for the employees as the employees are very much influenced with the personality and working style of the managers.
5. Acts as mediator- Sometimes HRD managers also acts as mediator between employees and management and helps both the parties in achieving an consensus whenever there is confusion or conflict.
6. Role of a mentor-The HRD manager acts as mentor to the employees and supervise them until they are able to work independently.

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## **8.7 MOTIVATION THEORIES AND HRD**

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There are various theories of motivation which help the managers to change the behaviour of employees. These motivation theories helps in understanding human behaviour and knowing how the employees are motivated. HRD also makes use of these theories to plan for the future development of the organisation. Few prominent theories of motivation are given below:

### **I. Maslow's Need Hierarchy Theory of Motivation**

Abraham Maslow gave the theory of need hierarchy which assumes that every individual has set of needs which he wish to satisfy but these needs are felt in hierarchy due to which when first order need is fulfilled he moves on to second order need. Maslow identified five levels of need hierarchy which are as under:

1. Basic Need- This need is also called as physiological need. According to Maslow every individual strives to fulfill the basic need i.e. food, shelter and clothing. Since basic need is

the first order need every employee will first satisfy this need and then can think of any other need. If we compare a situation of an employee his first order need will be to find a job through which he can satisfy his basic needs.

2. Safety Need- The second order need stated by Maslow is safety need. Once the individual satisfies his basic need he moves upward to safety need and wish to save some money for uncertainties. An employee once joins the organisation he is worried about the security of the job which is important.

3.Social Need- This is the third order need. When employee fulfils safety need he moves to third order need. Social need refers to need for affiliation, love and belongingness. This is considered as important need in the individuals. In organisation employees join groups to satisfy their social needs.

4.Esteem Need- This need refers to need for status in society. Every individual wants to have status in the society and wish to satisfy this need. According to Maslow when the individual satisfies social need he moves upward to satisfy his esteem need.

5.Self Actualisation Need-This is the last and fifth order need in hierarchy. At this stage the employee do not work for status or money rather he works for his own satisfaction and realisation of his own potential. This is usually referred as self- actualisation.

The Maslow Theory was criticised as the needs are moving in hierarchy but the reality is that any individual can go directly from basic need to social need or any other need as per his requirement and priority on life. Thus, clubbing the needs in hierarchy has been criticised.

## II.McCllelands' Theory of Motivation

McCllelend theory of motivation describes three types of need in an individual. The theory assumes that every employee has three set of needs- achievement, power and affiliation due to which he behaves in a particular way. Moreover it is believed that the managers can motivate their employees on the basis of these set of needs and the employees will be happy to perform if their needs are satisfied. McClleland's three set of Needs are-

1. Need for Achievement- This need refers to the sense of achievement which an individual derives from doing a challenging task and take pride after completing it. Such people are hardworking and determined to take tough tasks in the organisation. Organisations can utilise such people in important projects.

2. Need for Power- This need refers to the need for position and power in the organisation. There are people who like to command and want to have some authoritative position in the organisation. Such people like to become co-ordinators and in-charges of any department and are happy with such kind of roles. Thus, the employers can motivate such people by giving them some powerful positions which they will carry out nicely and with complete motivation.

3. Need for Affiliation- This need refers to the need for association. Every individual wish to be associated with a group or having informal relations with peers in the organisation. Need for belongingness usually compel them to take a job in which they get a chance to deal with

public and liasoning work. Thus, organisations may think of such roles to be given to people whose need for affiliation is high.

The theories of motivation help the managers in better understanding of individuals and ways to motivate them in organisation. Motivation is essential tool to modify the behaviour of employees to attain organisational goals. Self-efficacy which is defined as the individual's ability to achieve the targets and goals plays an important role in the process of motivation. Motivation is the desire to achieve the goals while efficacy is the belief to attain the goals. If the self -efficacy of employees is high the chances of attaining the goals are high. Those with high self efficacy often have high motivation and vice versa. Thus, HRD has to play major role in motivating the employees, developing their confidence and infusing the feeling of belongingness which is otherwise tough to attain. The organisation shave also started realising the importance of workforce and is now allocating separate funds for their training and development.



### ***Check Your Progress-B***

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#### **Q1. Multiple Choice Questions-**

- i. “Human Resource Development is a holistic concept, incorporating intrinsically social, cultural, and spiritual dimensions to build capacity and empower people.” This definition is given by  
 A) Holton      B) Giley      C) Drucker      D) Roger
- ii. Which one is the function of HRD?  
 A) Development   B) Maintenance      C) Control      D) All of these
- iii. Belief about self-capabilities is?  
 A) Self-efficacy   B) Self-confidence      C) Self-determination   D) All of them
- iv. HRD develops which skills of human resources?  
 A) Conceptual Skill      B) Technical Skill      C) Human Skill      D) All of them
- v. Role of HRD manager is/are?  
 A) Strategic Advisor   B) Performance Consult   C) Researcher   D) All of them

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## 8.8 MOTIVATIONAL ASPECTS OF HRD

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**1. Increase in Potential:** HRD is a function of training and counseling where HRD managers put their efforts to identify the gap between existing and required expertise, to identify the hidden skills and talent of employees and then to encourage them to utilize those skills. Employees get motivated to perform in order to increase their satisfaction level.

**2. Developing Emotional Intelligence:** Human resources are considered to be the greatest assets in any organization. It is, thus essential to understand the role of emotional intelligence in enhancing the productivity of human resources to achieve the overall success. Emotions of the employees play an important role in determining their productivity and output. HRD should thus focus on enhancing the emotional intelligence of the organization.

**3. Development of Team Spirit:** Team work requires among other things, that the members have an image of their own team mates, which coincides as precisely as possible with reality. HRD sections try to develop a habit of team work among the human resources through enhancing their interpersonal skills. The efforts of HRD sections contributes in group motivation and thus results in organizational effectiveness.

**4. Building Morale:** Nowadays organizations are constantly giving evidence to the belief that human resources are the key to organizational development. When HRD managers develop the new skills and enhance the existing one, it automatically builds a high morale level in employees. They start feeling that they are capable enough to take the risks and problems and can excel in their domain.

**5. Developing Positive Attitude:** Most of the employees resist changing because of fear of unknown. They take the change in negative sense; they think loss of control over existing things could take place and it may hamper their image in the organization. Through HRD processes managers create a positive attitude in employees so that they see the changes in a progressive manner.

**6. Creating a Motivating Environment:** HRD aims at creating an enabling culture: Where employees are encouraged to give their best putting their potential to best use, where employees really love their company and are willing to take risks, experiment, innovate and deliver superior results, where people are trusted, encouraged to put their best foot forward showing enthusiasm, involvement and commitment, where people enjoy their work, collaborate with each other, discuss problems openly, care for each other and confront issues in a straight forward manner and arrive at solutions working like a team.

**7. Facilitating a Positive Competitive Environment:** Employees wants to be the best performer in the organization which most of the times give invitation to negative competitive environment. HRD sections at the time of development bring positivity among employees and in the environment so that chaos can be avoided. Seeing competition in positive sense helps in increasing a progressive mind set which further take the form of inner motivation.

**8. Preparing Employee for Higher Job:** HRD sections works not only for present job and position of employees but it also put their continuous efforts for employees to get a higher

job. HRD managers do both, horizontal and vertical development of employees so that overall development could be done.

**9.Raising the Standard:** By developing all the dimensions of employees, their standard of working and life in organization get raised. Their way of thinking, planning, and decision making become more competitive and they switch to smart work from hard work. It brings an enthusiasm in employees to be an initiator and an achiever.

**10.Developing a sense of Responsibility:** It is the most important objective of HRD sections to develop a sense of responsibility in employees. HRD managers create an environment where employees feel that they are an inevitable part of organization and the success of organization relies on their work attitudes. It may bring a sense of responsibility along with zeal to do something extraordinary for organization.

**11.Developing a Progressive Orientation:** The main objective of HRD program is to broaden the perspectives of employees so that they can think beyond the boundaries. At the time of development program HRD managers shows a world full of opportunities and possibilities to employees which creates an excitement and motivation in employees to go and grab those opportunities.

**12.Goals Alignment:** Organizations are working for customer satisfaction and wealth maximization. But when we see individual employee, they are busy in fulfilling their own interests and objectives, i.e. salary, target, incentives etc. HRD managers align the individual goals with organizational goals and make them realize that their (employee's) goals are the part of organizational goals and create a sense of alignment so that employees work for organizational goals.

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## 8.9 SUMMARY

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Motivation is one of the most important concepts in HRD. In most of the organizations, it has been seen that employee's performance has taken backseat because of their low motivation. Bottom line is that organizations should have the basic conditions under which employees work is fulfilled so that there is no drag on the performance. HRD managers or HRD agents put their best to fill the gap and make an enthusiastic environment where employee do not feel demotivated and give the best results.



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## 8.10 GLOSSARY

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**Employability:** Employability means the ability, skills and competencies of an individual employee to seek gainful employment anywhere of his own.

**Motivation:** Motivation is the willingness to exert high levels of efforts towards organizational goals, conditioned by the effort and ability to satisfy some individual need.”



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## 8.11 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –B ( MCQ)

- i. D
- ii. D
- iii. A
- iv. D
- v. D

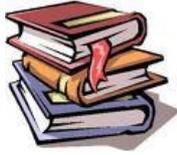


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## 8.12 REFERENCES

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- Bandura, A. Self-efficacy mechanism in human agency. American Psychologist, 1982, 37, 122-147
- Bandura, A Self-efficacy: Towards a unifying theory of behavior change, Psychological Review, 1977, 84, 191-215.



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## 8.13 SUGGESTED READINGS

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1. Readings In Hrd By T.V. Rao.
2. Hrd, Od, And Institution Building: Essays In Memory Of Udai Pareek Edited By T. V. Rao, Anil K. Khandelwal



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## 8.14 TERMINAL QUESTIONS

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- Q1.** “HRD is nothing but looking at the development of manpower of an organization in the light of its requirements”. Comment.
- Q2.** “HRD is a process of creating internal and external motivation”. Discuss the statement.
- Q3.** Discuss the theories of motivation to understand the motivational aspects of HRD.

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## UNIT 9 DEVELOPMENT CYCLE

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### 9.1 Introduction

### 9.2 Objectives

### 9.3 PDCA Cycle and HRD

### 9.4 HRD Cycle: Concept & Importance

### 9.5 Business Challenges and HRD

### 9.6 Summary

### 9.7 Glossary

### 9.8 Reference/ Bibliography

### 9.9 Suggested Readings

### 9.10 Terminal Questions

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## 9.1 INTRODUCTION

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Constantly changing business environment demands changes in the working philosophy of an organization. These changes could be facilitated through the change in employee's behavior. Human resource is the pertinent resource of an organization and plays a major role in the organizational growth. Emergence of new technology and high level of competition requires organizational change and employee development. Change refers to the modification or alteration in the existing course of action. Development refers broadly to the nature and direction of change induced in employees, particularly managerial personnel, through the process of training and education. Development refers to change in current system and work culture but employees' show resistance and do not agree to accept the alteration and modification. Organizations need to organize such development plans which could reinforce them to modify their behavior according to the demand of change at workplace.

In this chapter we will discuss about development cycle of HRD, Deming's PDCA cycle for continuous improvement in organisation, Organisational development and its role in HRD.

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## 9.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand the PDCA development cycle.
- Explain HRD cycle for organisations.

- Understand the importance of HRD Cycle.
- Explain the role of OD and HRD.

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### 9.3 PDCA CYCLE AND HRD

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Development refers to the acquisition of new knowledge, skill and attitude that improve an employee's ability to meet changes in job requirements. Development includes the processes by which an employee not only acquires skills and competency in his/her present job but also gain the capacity for future jobs. Development is a systematic process of growth by which individuals earn the skills and knowledge and also learn to apply their insights and attitudes to manage orientation effectively.

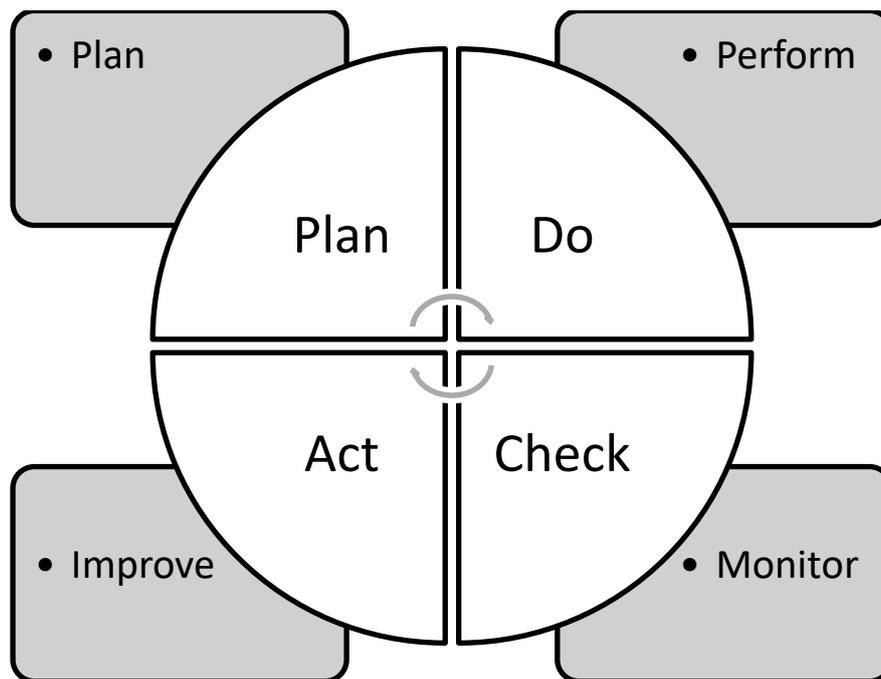
In the rapidly changing scenario and mushrooming of new opportunities and challenges, organizations need to plan suitable development plans for employees which can improve and enhance their skills, talent and expertise and can further increase their workability and productivity. Employee development is an unavoidable and important function of human resource management. For any development there is a need of change which can be said improvement in present processes and systems.

#### **PDCA- Deming's Development Cycle**

Every organization strives for success and profit but the most important is growth and this growth comes from continuous efforts for development. Once an individual or organization stops trying to adapt new skills and knowledge, new learning and continuous improvement does not take place.

Innovations and inventions are frequently taking place and if organizations will not develop accordingly, they will face failure and loss (financial/non-financial). Development cycle provides an opportunity to employees to recognize their potential and it also works as reinforcement for them.

The PDCA (Plan-Do-Check-Act) cycle also called as improvement model is given by Dr.W.Edwards Deming. It is also called as Deming Cycle. The purpose of this cycle is continuous improvement of organisation, process or human resource. Initially the purpose of PDCA cycle was quality improvement but gradually the concept of this cycle has been widely used in improvement of business processes, human activities etc.



**Figure 9.1 : PDCA Cycle**

- **Plan:** The first step of any action is plan because moving without a plan leads to failure. This stage involves identifying, defining and analyzing the problems. This 'Plan' stage consist of the following steps:
  - Determining the root cause of the problem.
  - Determining the intervention necessary to correct the problem.
  - Determining what the expected outcomes are.
  - Determining, who will be the responsible parties for the improvement.
  - Scheduling the steps of the correction.
  - Planning for resources.
  - Justifying the need for the improvement.
  - Determining the metrics for the improvement.
  - Mapping the process using a flowchart or other helpful tool.
  - Collecting any data related to the problems.
- **Do:** Once the problem has been defined and plan has been formulated, the next step is to execute the plan. This involves developing and implementing a solution which will be:
  - Implemented on trial basis.
  - Continuously checked for efficiency.
  - Permanently implemented (if the trial is successful).
  - Measured for performance.
  - Used to train employee on quality improvement.

- **Check:** When the planned course of action is implemented, next step is to check the outcome and compare the before and after data. The check step helps to find the gap between standard and actual result, so that decision makers can be facilitated.
- **Act:** After finding the gap, decide on changes needed to improve the process.

Above cycle helps to identify the area for improvement and helps in taking required action for better development and results. Four step model of Deming facilitate individuals to identify the gap between current status and required one. This development cycle works as a change process; change for something good, something profitable and something new, which gives an inner zeal to employees to work hard. There are various advantages of Deming's development cycle. These are:

- a. **Process Improvement-** This cycle helps in improving the process used in achieving the results. Here process can be technological methods to perform a task or a system which is intertwined into sub systems resulting into the output.
- b. **Facilitate Self-management-** Since this cycle is extensively used in Total quality Management, its use is inevitable in addressing quality issues in organizations. However, once the employees understands its functioning , it may be helpful in assessing their own performance and make corrective actions.
- c. **Facilitate better planning-** Efficient planning is ensured with the help of this cycle.
- d. **Works as Good Feedback Tool-** Results are immediate in this cycle. The organization can evaluate the results and take corrective action.
- e. **Helps in Change Management-** HRD uses this cycle as a change management tool. This enables the employees to modify their behavior according to the changed technology and structure .
- f. **Guides in Quality Management-** As already discussed, deming cycle is widely used in total quality management. The employees dicusses the problem areas and finds out the solution which may involve brain storming and other discussion techniques.
- g. **Better Performance Management-** Use of this cycle may enhance the performance of employees and organization as a whole.
- h. **“Check” Supports Good Control-** This cycle is an effective controlling tool for management.
- i. **Increases Individual and Organizational Competitiveness-** The use of cycle also increases individual and organizational competitiveness.

PDCA cycle can be used in HRD processes and used as a continuous learning tool for employees. Most of the organizations invest a huge amount in the development of employee's skills and talent; it helps in retention of quality skills in the organization. Development cycle develop an environment where every employee thinks for best processes, better planning, enhanced performance and high organizational competitiveness.



**Check Your Progress-A**

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**Q1. What is meant by PDCA cycle?**

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**Q2. What are the benefits of Deming's Cycle?**

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**Q3. Discuss the relevance of development cycle in HRD.**

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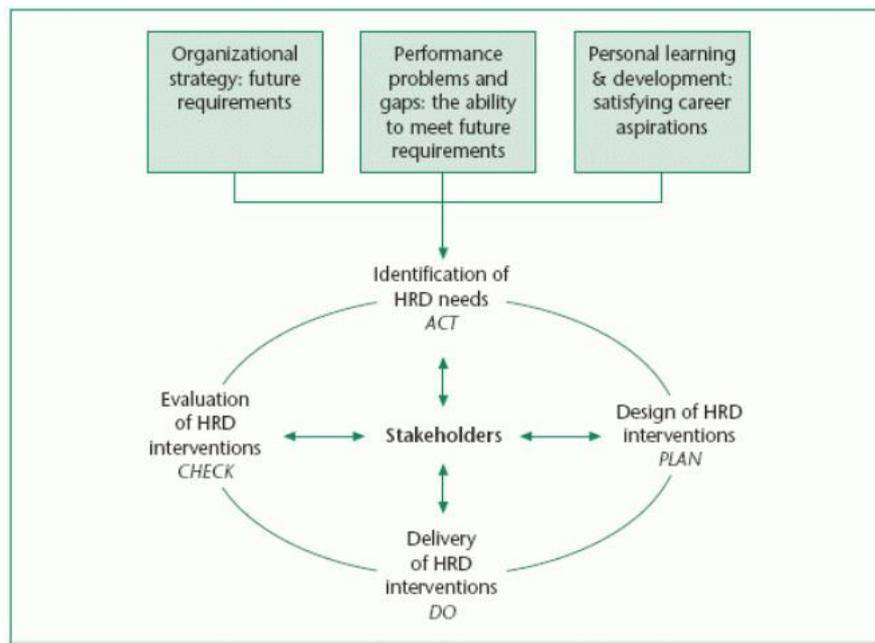
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## 9.4 HRD CYCLE: CONCEPT AND IMPORTANCE

The development phases in HRD is referred as cycle as it moves from one step to another in a sequence. HRD cycle begins with the identification of HRD needs followed by design of HRD interventions, delivery of HRD interventions and Evaluation of HRD Interventions.



**Fig 9.2 The HRD Cycle**

The above figure represents the HRD cycle and the steps followed in the cycle. HRD cycle begins with the identification of needs and ends with the evaluation of HRD interventions. The process is explained below:

The HRD cycle builds on the systematic training cycle (STC) by providing a methodical step-by-step

approach to the key stages in developing HRD interventions that span learning and development, career

development and lifelong learning, and organisation development and organisational knowledge an

The HRD cycle builds on the systematic training cycle (STC) by providing a methodical step-by-step

approach to the key stages in developing HRD interventions that span learning and development, career

development and lifelong learning, and organisation development and organisational knowledge an

**I. Identification of HRD needs-** The first phase in development cycle is the identification of HRD needs of the organisation. The needs can be identified with the help of organisational analysis, task analysis and person analysis. There are several factors which indicate the training needs of employees in organization. The factors are given below:

- a. Development of employee skills to fill current needs- In order to meet the current needs training can be designed for inducting the new trainees in organization. In case of promotions and reassignments also, the skills of employees need to be updated.
- b. Organizational problems- If there are problems pertaining to organizations like performance problems, production problems or safety problems, there arise a need for training.
- c. Technology- If the organization has new equipment or technology there arise a need for training. Hence such factors help in identifying the training needs.
- d. Career Development- Employees need to update their skills continuously for existence. Therefore, growth of employees and updating of their skills become crucial for organizations success.

With the awareness of significance of T&D in organizational growth western countries have developed various methods and techniques to identify the training needs to justify the investment in HRD and have systematic approaches for developing their employees. Though organizations in our country are taking care of proper identification of needs but the process is still slow.

The following approaches are commonly used for need assessment:

- a. Training Need Survey- In this approach, information is gathered through survey . The survey is designed to collect opinions on organizational culture, allocation of resources, skill development etc. The survey should be designed in such a way that it is able to collect information on present need, future needs, individual needs, organizational needs, job performance levels, etc. A properly analyzed survey helps in setting the strategy and objectives for Training program. However, Survey approach depends on the following factors like Openness in organizational culture, Size of the organization, Complexity of job in question and the correctness of the resources.
- b. Competence Analysis- This approach combines both the survey and study of specifications. KSA of self, superiors and subordinates are collected for a particular position or designation. The deficiency in KSA is identified and remedial training is suggested in this approach. This approach is comparatively inexpensive and helps organizations in prioritizing the skill based needs.
- c. Performance Analysis Approach- This approach is best suited for identifying individual needs. In this approach benchmarks for performance are set. Comparison of actual performance with the standard performance is done. KSA required to attain the standards are identified. The main aim of this approach is to find whether employees on given work or position have required skill and knowledge.

- d. **Task Analysis Approach-** In this approach job description and job specifications are minutely scrutinized. The job demands and the qualification of the employees are matched. Hence this approach exposes the weakness of employees in terms of duties to be performed and required set of skills, experience, qualification and attitude.
  - e. **Feedback Approach-** This approach is most frequently used by most of the organizations. Feedback from various sources like annual reports, production report, performance report, supervisors and colleague's feedback give the inputs to assess the training needs.
  - f. **Management Decision Approach-** In small organizations usually it is the management who decides who is to be trained and what is to be taught. These decisions are based on future career growth plan and the requirement of the organization. Though this approach is inexpensive but is not rational.
2. **Design of HRD Interventions-** The next step is designing the HRD intervention through which change is implemented in the organisation. HRD interventions are done on an individual level, group level and organisational level. At individual level the interventions focusses on behaviour modification, attitude development and knowledge enhancement. At the group level the employees are taught about group dynamics and team building for organisational effectiveness. At organisational level changes are made in the structure and technology which affects the growth of the organisation.
  3. **Delivery of HRD Interventions-** The next step is to deliver the HRD interventions and implement them to change the existing methods of work in organisation. This leads to organisational development. The role of consultant is important as he has to implement the intervention in such a way that it is accepted by all in the organisation.
  4. **Evaluation of HRD Interventions-** Need assessment is essential to evaluate the training program. If the needs are not assessed in the beginning then it becomes very difficult to know the effectiveness of the training program.

**Cost benefit analysis-** This answers the question "What is the difference between the cost of no training versus the cost of training?" This entails finding out what the costs would be if the need continues without being met. Important point lies in analyzing whether the training would result into increased productivity and performance levels. The cost benefit analysis would justify the need for training in any organization.

The evaluation is done with the help of CIRO which means Context, Input, Reaction and Output. Kirkpatrick's Model of Evaluation can also be used in evaluating the effectiveness of programmes implemented in the organisation.

Human Resource (HR) professionals and line managers also need to be aware that training is not the "cure all" for organizational problems. The value of any training investment to the organization must rely on the vision and judgment of line supervisors and managers. You may authorize training to build skills and knowledge levels that help

employees better contribute to your organizational mission(s). In some cases, the need is immediate and the training remedial; in other cases, the aim is to update and maintain professional knowledge; and in still others the goal is to prepare for requirements anticipated by higher level officials.

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## 9.5 BUSINESS CHALLENGES AND HRD

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Contemporary organisations are facing constant challenges like reduction in costs, complexity in business, technological advancements, employee retention etc. In such cases the role of HRD has a significant role to play. Some of the business challenges are given below;

1. Technology- The ever changing technology has pressurised the organisations to imbibe change. The change in technology impacts the employee skills which becomes obsolete and need to be developed.
2. Change- Every business operates in the changing environment. The organisations have shifted from organisational learning to learning organisation so that any change can be adopted immediately without any delay. Changes in methods of doing business, changes in the ever changing techniques and skills compel the organisations to adopt the change. Organisations which fail to do so are left behind in the competition. Thus, to stay ahead it is important that the change is followed up immediately.
3. Globalisation- Ever since the world has become one economy interdependence of resources have increased globally and organisations can no more work in watertight compartment. Thus, increased competition and meeting the customers' demands by remaining competitive in the world market has become a challenge.
4. Customisation- Producing the goods as per the demands of the customers is yet another challenge for the business these days. Since the taste and preferences differ from region to region, the organisation has to take care of producing only what is in demand. Standardisation of products is not so easy now. Thus, this also poses another challenges to businesses by keeping the customers happy and keeping the cost low.

Thus, in a nutshell the challenges faced by business organisations can be resolved by implementing HRD interventions which may lead organisational development. The HRD can facilitate organisational effectiveness by infusing diversity in the work place, enhancing quality and productivity, promoting the growth of employees and remaining concerned for their development and lastly by involving people in business.

The competencies of HRD manager also plays an important role in facilitating change and overcoming business challenges. The leadership skills of HRD managers tries to integrate the personal and organisational goals in such a way that the employees remain committed with the sense of belongingness. HRD manager makes use of consulting skills and guides the employees towards attainment of personal and organisation goals. The managers can easily act as a role model to the employees to bring change in the organisation. The HRD manager should be a good researcher so that he is able to bring in latest trends and update the organisation. Organisational excellence is the term coined by Thomas J. Peters, Waterman

and Austin in which they state that the organisation should strive to produce better results than those of its competitors over a long period of time. To attain organisational excellence following principles must be adopted by the organisations-

- a. The organisation must always strive for being result oriented.
- b. The customer should always be the focal point of any organisation.
- c. Organisations must always lay stress on the development and involvement of people.
- d. The organisations must always strive for continuous learning and innovation.

Thus, HRD may help attaining organisational excellence which will help the organisation to stay ahead in competition.



***Check Your Progress-B***

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**Q1. Define HRD cycle.**

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**Q2. What are the steps in Deming Cycle?**

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**Q3. What are business challenges.?**

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## 9.6 SUMMARY

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In this unit we covered the development cycle which can be used in HRD processes and used as a continuous learning tool for employees. The Deming cycle is used mainly to improve the products and services in the organisation. The HRD cycle aims at improving organisational effectiveness.



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## 9.7 GLOSSARY

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**Development-** Development refers to the acquisition of new knowledge, skill and attitude that improve an employee's ability to meet changes in job requirements.

**HRD evaluation-** It refers to analyzing the effectiveness of interventions adopted in the organisation.



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- [www.mindtools.com](http://www.mindtools.com)
- [www.techopedia.com](http://www.techopedia.com)
- <https://m.grin.com>



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## 9.9 SUGGESTED READINGS

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1. Human Resource Development – Theory & Practice by Tapomay Deb



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## 9.10 TERMINAL QUESTIONS

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Q1. Deming cycle is a continuous improvement process. Explain.

Q2. Development in organization can only be facilitated through HRD. Support the statement with HRD process.

Q3. Explain in detail HRD cycle.

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## UNIT 10 TASK ANALYSIS

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- 10.1 Introduction**
- 10.2 Objectives**
- 10.3. Meaning and Definition**
- 10.4 Steps involved in Task Analysis Process**
- 10.5 Advantages and Disadvantages of Task Analysis**
- 10.6 Methods of Task Analysis**
- 10.7 Summary**
- 10.8 Glossary**
- 10.9 Answer to Check Your Progress**
- 10.10 Reference/ Bibliography**
- 10.11 Suggested Readings**
- 10.12 Terminal & Model Questions**

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### 10.1 INTRODUCTION

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Task analysis is usually recognized as one of the steps for thriving training need analysis. In other words the training needs assessment. The task analysis acts as a fundamental tool to analyse the training needs to provide latent solutions for performance enhancement. The managers need to decide what the employees able to do, before any training is planned for the employees. In other words the task analysis is a method to discover the necessary job or assignment in detail that means the step-by-step exploration. It also mean the task analysis describes the procedures and inputs that can be used to accomplish the results at a particular time.

Its focus is on systematically documenting what employees are performing or should be performing through observable processes and behaviour. Documentation of current performance is important to compare with desired performance and help to identifying future actions.

In this unit, you will study about Task Analysis in detail.

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## 10.2 OBJECTIVES

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After reading this unit you will be able to:

- Explain and define the Task Analysis.
- Describe the steps in the process of Task Analysis.
- Know the pros and cons of Task Analysis.
- Learn the techniques of Task Analysis

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## 10.3 MEANING AND DEFINITION

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Task analysis is the process of defining the discrete steps, or tasks that, when executed, will ensure effective and efficient performance of a job. A Job can be understood as a series of tasks. During analysis of training needs; four levels of analysis are characteristically observed that is the organization, its facility, its employee, and the task. Before commencing the training need analysis the task asked of the individual(s) should be understood. A task can be defined as an action planned to contribute a specified end result to the accomplishment of an objective. A complex task can be broken down in different components i.e. ‘knowledge that’, ‘knowledge what’ and ‘knowledge how’ with the help of task analysis. It contains a measurable constituent of the duties and responsibilities of an explicit job. They are the detailed description of the job. Though each job has a title, but the actually work that is expected of the job may vary. For example, doctor is a job title. But the tasks performed by a doctor may vary from surgery to physician in providing emergency first aid. The main characteristics of tasks are as follows:

- A task contains a precise opening and end.
- A task has a quantifiable element of the duties and responsibilities of a definite job that can be usually measured in minutes or hours.
- Tasks are observable. The accomplishment of the task can be clearly visible by observing the jobholder’s performance.
- Task is independent of any components of a procedure. It is autonomous in nature.

Jonassen, Tessmer & Hannum, (1999), stated “Task analysis for training design is a process of analysing the kind of skills and knowledge that you expect the learners to know how to perform”.

Task Analysis describes a job in terms of Knowledge, Skill, and Abilities (KSA) to carry out daily tasks. It is a structured outline that breaks down a job to compose a detailed listing of all the tasks. The task statement for each task on the list is the first product of task analysis. A task statement is consists of an action and an end result. As the task statement is defined, the

task analysis will then go into further element by stating the task frequency, difficulty of learning, importance to training, task criticality, task difficulty and overall task importance.

Task analysis facilitates to:

- i. Establish the learning objectives and goals,
- ii. Detail the tasks and sub-tasks that the employee has to perform,
- iii. Identify the type of knowledge kind i.e. declarative knowledge, structural knowledge and procedural Knowledge that demonstrates a job or a task
- iv. Choose the learning outcomes for suitable training
- v. Prioritise and sequence the tasks
- vi. Resolve the learning activities and plans that fosters the needed development
- vii. Choose suitable channels for learning environment
- viii. Create performance appraisals and evaluation

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## 10.4 STEPS INVOLVED IN TASK ANALYSIS PROCESS

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As above we discussed, Task analysis process assesses the extent of completion of a task from an employee at a particular time. There are many situations and factors included in task analysis, under which task is to be done. They are duration of the task, its complexity, allocation, frequency, the external conditions and many more. The importance of such analysis is of immense since it affects the costs involved, efficiency, reliability, safety and effectiveness adversely.

### Step-by-Step – a model

A step by step review of task analysis about the individual task to be undertaken, what skills and what knowledge are required.

Step	Task	Skill	Knowledge
S. No.	Step or task to be done	Required skills to complete this task	Required knowledge is to complete this step effectively
1			
2			

3			
4			
...n			

*Fig. 10.1 Step-by-Step – a model of Task Analysis*

The following are the series of steps involved in the task analysis process:

### **10.4.1 DEFINING THE TASK**

Identification of the task is the first step of the task analysis process. There is a need to define the type of job and describe it in detail for the identification of task. It includes the expected procedure, the desired success level, and so on. The evaluation techniques that could help to assess the process progress is to be noted here.

### **10.4.2 COLLECTION OF DATA**

The second step of task analysis process is the collection of data. The analyst can use different methods and techniques to gather information and data about the task under consideration. Some of the methods used for the purpose of gathering information are described below:

#### **10.4.2.1 Description of the Job**

Description of the job covers the major details about the job. It provides an outline of the expected duties and tasks of the job holder. It also states the job performing conditions. So, it is vital for an analyst to possess the updated copy of job description. It will be a significant help to have an idea about the job.

#### **10.4.2.2 Knowledge, Skill and Ability (KSA) Analysis**

KSA analysis details a list of requirements of the job in written that is knowledge, skill, abilities or attitude (KSA) so that the employee carries out the particular duties and tasks.

#### **10.4.2.3 Performance Standards**

With the help of performance standards analyst understands how well the employee takes care of the job and meets the requirements of the duties. It also helps to identify the performance discrepancies keeping in view of the objectives of the job. This becomes a key standard assessor for the quality performance of the organisation.

#### **10.4.2.4 Observations**

Employees' performance observation at the job requires an expertise in the field. There is a possibility of faking behaviour if the employee knows that he/she is under surveillance or observation.

#### 10.4.2.5 Literature Reviews

The literature review can also be a great help to be acquainted with the nature of the job or the best implementations.

#### 10.4.2.6 Questionnaires

This is one of the outstanding methods for the collection of the data. The objectivity of the questionnaire should be able to predict the importance of task.

#### 10.4.2.7 Interviews

Face to face interaction is the best way to understand the nature and personality of the employees who are being analysed as part of the task analysis.

### 10.4.3 DEFINING OBJECTIVES

The analysts need to define the objectives of the task analysis i.e the analyst defines the task goal. The task goal consists of factors that determine the sought results of a particular task. So that it can be compared with the authentic data in upcoming steps. .

### 10.4.4 DISINTEGRATING THE PRIMARY GOALS

Under this step the analyst needs to fragment the main goal into sub-level goals. Each sub-goal acts as a smaller unit for the identification of procedure of achieving the goal.

### 10.4.5 FINALIZING THE ANALYSIS

The analyst is expected to contrast all the gathered information and later measures the difference between the domains in the final step of task analysis. The analyst recommends some of the steps that can reduce this dissimilarity.



#### *Check Your Progress-A*

**Q1. State the meaning of a Task Analysis?**

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**Q2. What are the steps involved in Task Analysis Process?**

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**Q3. Why do Task Analysis?**

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**10.5 ADVANTAGES AND DISADVANTAGES OF TASK ANALYSIS**

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**10.5.1 ADVANTAGES**

Task analysis has following advantages:

- It helps to attain a clear means of resources, processes and results that are related to current tasks
- It helps to systematically review the completion of current tasks and their end results.
- It helps to make better recommendation with the help of need assessment regarding any modification or changes in current procedures or a new task.
- It helps to identify both the performance either good or bad that means what is working fine and what is not working fine within the current organisation.

**10.5.2 DISADVANTAGES**

The major limitations of task Analysis are:

- It requires adequate time and resources effective planning. Normally, in initial stage due to the lack of time and resources analysis of task may not do accurately.
- The other challenge of task analysis is to find out the how the completion of task would change due needs assessment recommendation and similarly how these results impact on the part of the system.

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**10.6 METHODS OF TASK ANALYSIS**

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Task analysis consists of diverse techniques to explain methodologies applicable to various categories of task. These techniques are categorised into two broad terms-

**10.6.1 TECHNIQUES ORIENTED TO ACTION****10.6.2 COGNITIVE TASK ANALYSIS TECHNIQUES**

## 10.6.1 TECHNIQUES ORIENTED TO ACTION

Action oriented techniques refer the task analysis approaches that will present the narration of the apparent aspects of operator behaviour at different stages jointly with some indications of the constitution of the task. These are as follows:

### 10.6.1.1 Hierarchical Task Analysis (HTA)

Hierarchical Task Analysis is a logical technique of fragmenting a task into subtasks, then sub-sub-tasks and so on to meet up the overall goal of the job. The overall goal of the task is identified and then grouped as plans which specify how the tasks might be performed in practice to achieve that particular goal. The focus of HTA is on employee's physical and observable actions. This represents as the hierarchy of actions that people do various things within a system and plans, and the conditions that are needed to undertake these procedures. It includes actions not related to software or an interaction device only. So, we can say that HTA start with a user goal which is examined and the main tasks for achieving it are identified.

Hierarchical Task Analysis states the objective in that the employee has to achieve. The essential component of HTA is the plan that explains the information sources needed to the worker, in order to indicate the need for various activities. The further re-description of each sub-operation as per the requirement of the analyst can be done in terms of other operations and plans. There are two main ways of representing a HTA description: the diagrammatic and tabular format. Diagrams are understood easily where tables are more systematic as it adds the detailed notes.

### Steps involved in Hierarchical Task Analysis

There are five major steps to constructing a hierarchy:

1. **Task Analysis definition:** It is the first step in task analysis. The aim of the task is to create the context in which it can be carried out, presumed circumstances and the restrictions of the operation must be pointed.
2. **Collection of useful information:** we need to collect information on the stages of the task, the technology used, man-man and man-machine interactions, decisions that need to be taken and the constraints of the tasks.
3. **Definition of subtasks:** using the gathered information, the task is divided into subtasks.
4. **Decomposition of subtasks:** the subtasks identified in the previous stage are themselves divided into subtasks. The process is repeated until the desired level of decomposition is reached. Two levels of decomposition are usually sufficient.
5. **Construct a plan of the task:** During this stage, we define the sequence of different subtasks, potential alternatives and conditional sequences.

For Example, Imagine that you are a student and want to borrow a book from the library. Borrowing book is your goal. To accomplish this goal, you have to perform a number of

tasks. The task of finding a book can then be divided into subtasks such as finding and open the library catalogue, search the book in the catalogue, and so on.

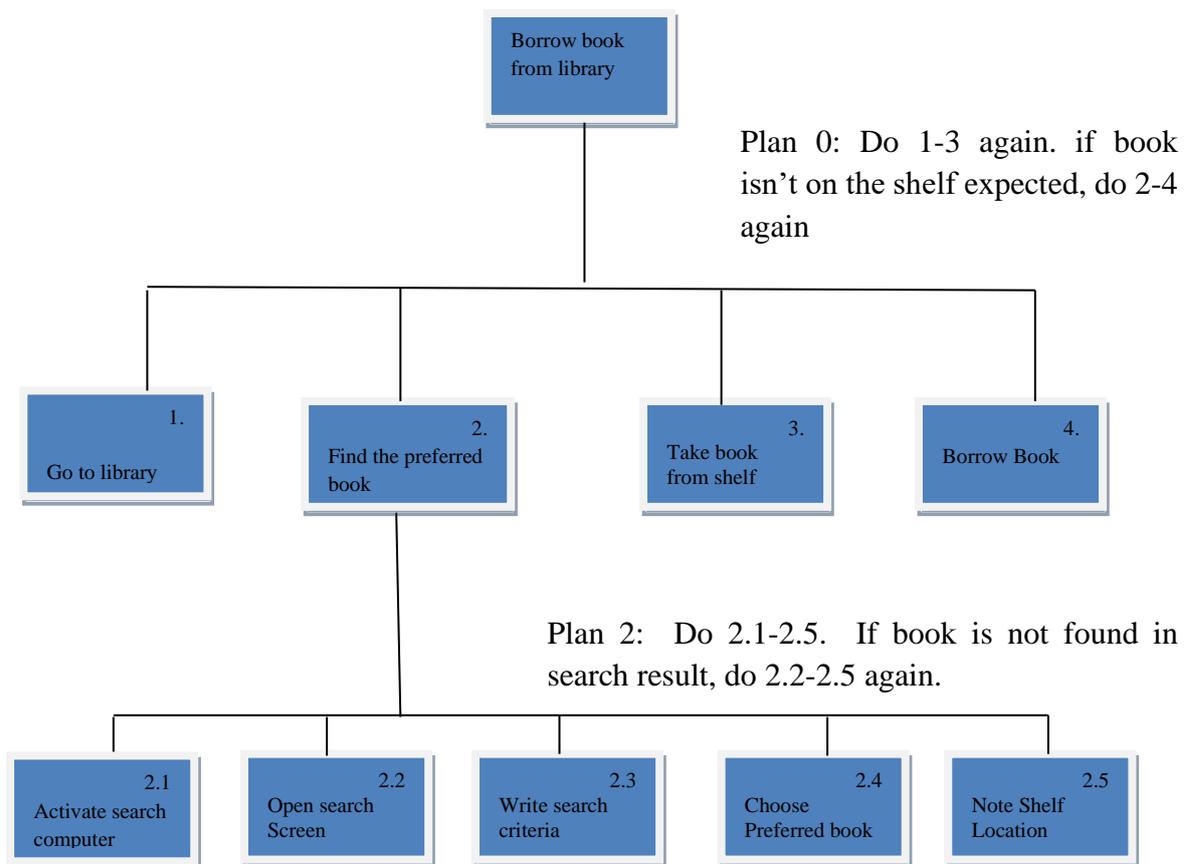
In order to borrow a book from the library

1. Go to the library
2. Find the required book
  - 2.1 access library catalogue
  - 2.2 access the search screen
  - 2.3 enter search criteria
  - 2.4 identify required book
  - 2.5 note location
3. Go to correct shelf and retrieve book
4. Take the book to checkout counter

Example HTA (plans) Figure 10.2

Plan 0: Do 1-3. If book isn't on the shelf expected, do 2-4 again.

Plan 2: Do 2.1-2.5. If book is not found in search result, do 2.2-2.5 again.



**Fig. 10.2 The diagrammatic Representation (Hierarchical Task Analysis (HTA))**

#### A. Hierarchical Task Analysis advantages

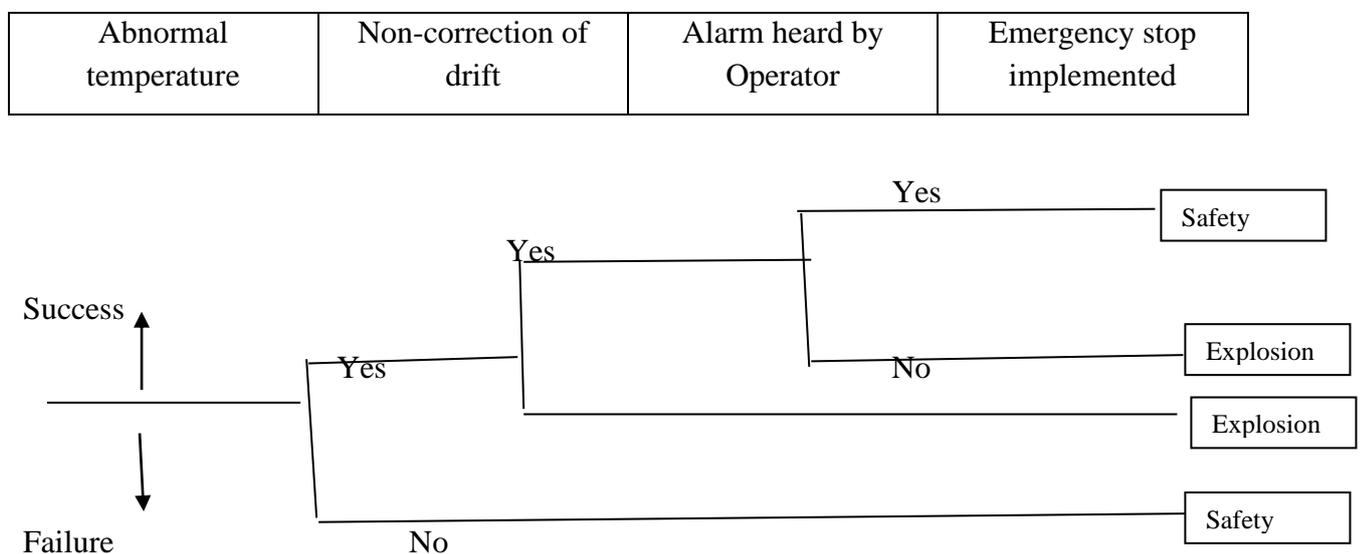
- It is an economical method of gathering and organizing information. The hierarchical description developed only at that point of time when the analysis is to serve the purpose.
- The hierarchical structure of HTA has a positive impact on Plant safety, because it facilitates the analyst to focus on crucial aspects of the task.
- HTA allows functional objectives to be specified at the higher levels of the analysis previously to compose final decisions made about the hardware. It plays an important role during the allocating functions between personnel and automatic systems.
- The analyst develops the description of the task in accordance with the perceptions of line personnel who are responsible for effective operation of the system. In other words, HTA acts as a collaboration between the task analyst and employee involved in operations.
- HTA can be used as a tool to examine the potential error in the performance of the required operations.

## B. Disadvantages of Hierarchical Task Analysis

The main drawbacks of HTA is that it has to be carried out in collaboration with workers, supervisors and engineers, involves time, commitment and effort from busy people. It is required that an analyst needs to develop a measure of skill in order to analyze the task effectively since the technique is not a simple procedure that can be applied immediately. However, the necessary skills acquired reasonably quickly through practice are not very effective.

### 10.6.1.2 Operator Action Event Trees (OAET)

This approach gives an event tree to represent the sequence of various decisions and actions that are carried by an operator when faces with an adverse event. This is called as Operator Action Event Trees (OAET) or Human Reliability Analysis Event Tree (HRAET). In other word, the consequence tree or event tree method is an approach that allows one to identify and represent the sequence of events that take place as a consequence of a critical event, called the initiating event of the tree. This type of model is well suited for representing the sequence of actions to be taken by an operator in case of undesirable events. Fig. 10.3 shows an example of OAET diagram, modelling the actions expected to an operator in case of temperature deviation.



**Fig. 10.3** *Event tree of Operator Actions*

OAET also specially takes care in use of restoration of factors that can exert a significant effect. Normally the recovery paths with specific mechanism are appropriate to aid the error recovery

such as an alarm, a supervising check, round inspection and many more. They are best suited for the gained qualitative insights, but also well are used as a basis for the quantitative assessment of human reliability. The each joint tree is assigned by the possible error probability and then multiplied by the same probabilities, and then it makes it easy to assess the probability of each event stated.

#### **A. The Advantages of OAETs**

The OAET is a method that structures the information logically to facilitate the operating team actions resulting from a particular initiating event. The critical tasks that are important at the time of particular initiating events are aided by OAETs.

#### **B. The Disadvantages of OAETs**

- The main problem involved in the structuring of OAETs is the level of fragmenting the task, because if the overall task is fragmented into very small sub-tasks it may become heavier and might be complex to gain the profound insights from the OAET.
- This diagram may not be a suitable way to recognize the wrong intentions or diagnostic errors.
- There is no guarantee given that the data used in the modelling process is absolute and correct. Therefore, the total understanding of the final OAET will be a function of experience of the analyst (human errors may represent).

### **10.6.1.3 Decision or Action Flow Diagrams**

The sequence of action steps and questions to be considered in complex tasks involved in decision-making are represented with flow charts. This chart is analogous to the flow charts which are used in computer program development. These two are based on choice decisions binary bits and intervening operations.

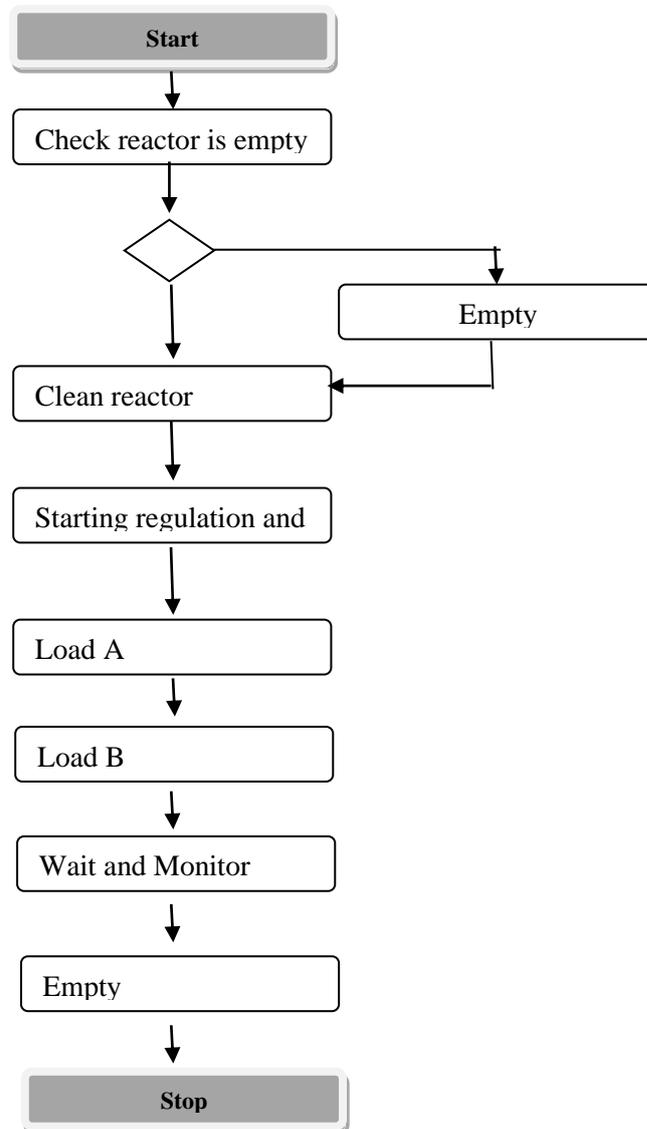
These charts are usually preferred by employees to showcase the methodology of their work that may involve decision-making, time-sharing, or complex conditions and contingency. It is simple to learn. Figure 10.4 depicts a chart for a furnace start-up operation.

A single level of task description is given in decision or action charts; A slight training is needed to learn the technique. Different operators need to verify the decision or action charts to ensure that a representative view of the decision task is attained.

#### **A. Advantages of flow diagrams**

- Flow diagram is used by the workers to showcase their work method.
- The tasks that involve decision-making, time-sharing, or complex conditions and contingencies use this diagram and this representation can also provide input to other Task Analysis methods.

- This is useful to recognize critical checks needed to carry out the work to complete a process control task. Analysts use this as an aid to find the fault-diagnostic tasks and to use for plant information effectively.



**Fig. 10.4 Flow Diagram**

### **B. Disadvantages of flow diagrams**

Decision or action charts can only offer the linear descriptions of the task. It does not provide information on the goals hierarchy and objectives that the employees are trying to accomplish. It becomes heavy and difficult to follow when complex tasks are analysed with

the diagrams. Also, there is possibility of losing prospective of the main objectives of the task.

### 10.6.2 COGNITIVE TASK ANALYSIS TECHNIQUES

Cognitive task analysis (CTA) is a type of Task analysis that focuses on the mental processes which cause observable behaviour, e.g. decision making, problem solving, memory, attention aimed at understanding tasks. In other words, this methods analyze and represent the cognitive activities users utilize to perform certain tasks.

Klein, G. A. (1993) suggests some of the steps of a cognitive task analysis. These are (i) task mapping, (ii) identification of critical decision points, (iii) clustering, (iv) linking, and (v) prioritizing, and characterizing the strategies used.

Rasmussen described levels of cognitive behaviour. These are known as Rasmussen step ladder model.

1. **Skill based behaviour:** Skill based behaviour express the behaviour executed without any particular attention to each action. In some cases the mental representation of the environment will be adjusted on either the rule-or knowledge based level.
2. **Rule based behaviour:** Rule based behaviour is behaviour based on the application of known rules and procedures in familiar situations. These actions are not necessarily physical actions. The goal determines which rules are to be applied.
3. **Knowledge:** In unfamiliar situations, knowledge based behaviour prevails. At this level, goals are explicit and based on an analysis of the environment and intentions set. Based on these, an internal representation is devised.

To construct such representation, three strategies are available:

- Aggregation: Parts of representations are merged into one, larger, representation.
- Abstraction: A representation of characteristics of a system is transformed to a higher level of abstraction; instead of the physical characteristics, functions and relations are described.
- Knowledge: Representations of other system are transformed to this system.

There is a collection of methods available for the conduction of cognitive task analysis. Critical Action and Decision Evaluation Technique (CADET), Applied Cognitive Task Analysis (ACTA), the Critical Decision Method (CDM), Skill-Based CTA Framework, Task-Knowledge Structures (TKS) and the Cognitive Function Model (CFM), The Influence Modelling and Assessment Systems (IMAS) are a few examples.

The cognitive task analysis has been used to examine:

- Performance differences between learner and experts
- Intellectual or mental workload associated with complex controls and displays

- Expert's decision Making
- Development and growth of mental models.
- Information needs for command and control systems
- Troubleshooting, fault isolation, and diagnostic procedures

Thus, the task analysis methods explained so far can be assessed in terms of their focus on various phases of the human-machine interaction. The selection of appropriate TA methods for particular research interests is described by Figure 1.8 that depicts the ten criteria for method evaluation. In general, HTA and CADET can be used jointly as a framework for carrying out both action and cognitive task analysis as they fulfil most of the ten criteria. The various TA classification can be done in another way is in terms of the application areas in which they might be seen as most useful. Figure 1.9 shows the seven human factors applications classifications.

It is important to note that the Figures 1.8 and 1.9 present only a broad qualitative cataloguing along a number of criteria. It is possible that some methods may fulfil a criterion to a large extent than others.



### *Check Your Progress-B*

**Q1. What are the advantages and disadvantages of Task Analysis?**

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**Q2. What are three major steps to constructing a hierarchy?**

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**Q3. Distinguish between Action Oriented Technique and Cognitive Task Analysis Technique.**

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**Q4. Write the full form of given abbreviation:**

1. HTA:
2. OAET:
3. CADET:
4. IMAS:

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## 10.7 SUMMARY

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In this unit we learnt different definitions of task analysis and its various concepts. It is generally known as the one of steps of thriving training need analysis. It is the process to discover the required job or task in detail means step-by-step. It means it explains the process and inputs that are being used to accomplish results at a particular time. We have discussed its advantages and disadvantages also. Further, we learned the steps involved in task analysis process. Lastly, we discussed various techniques to describe methodologies applicable to task analysis. These techniques are categorised into two broad terms- Action Oriented Techniques and Cognitive Task Analysis Techniques.



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## 10.8 GLOSSARY

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**Job:** A job is a specific position involving the completion of certain tasks.

**Task:** A task is the work activity of the employee in a specific job.

**Knowledge:** knowledge includes facts or procedures.

**Skill:** Skill indicates competency in performing a task.

**Ability:** Ability includes the physical and mental capabilities to perform a task.

**Job Description:** Job Description is a narrative report that includes the major details about the job.

**Cognitive Task Analysis Techniques:** Cognitive Task Analysis Techniques focus is on the mental processes which underlie observable behaviour, e.g. decision making and problem solving.



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## 10.9 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –B

#### **Q4. Write the full form of given acronym:**

**HTA:** Hierarchical Task Analysis

**OAET:** Operator Action Event Trees

**CADET:** Critical Action and Decision Evaluation Technique

**IMAS:** The Influence Modelling and Assessment Systems



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3. Noe Raymond A & Kodwani Amitabh Deo (2012), Employee Training And Development, Fifth Edition, Mcgraw Hill,



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## 10.12 TERMINAL QUESTIONS

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- Q1.** Explain the concept Task Analysis. Why we do Task Analysis?
- Q2.** Explain the steps Involved in Task Analysis.
- Q3.** Discuss some effective methods of Action Oriented Task Analysis Methods with their advantages and disadvantages.
- Q4.** Write short notes on “Cognitive Task Analysis Technique.”
- Q5.** Explain Hierarchical Task Analysis with its advantages. Illustrate your answer with relevant examples.

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## UNIT 11 COUNSELLING AND MENTORING

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### 11.1 Introduction

### 11.2 Objectives

### 11.3 Meaning of Counselling: Features and Objectives

### 11.4 Functions of Counselling

### 11.5 Counselling Process

### 11.6 Types of Counselling

### 11.7 Career development and Career planning

### 11.8 Mentoring

### 11.9 Types of Mentoring

### 11.10 Qualities of good Mentor

### 11.11 Summary

### 11.12 Glossary

### 11.13 Answer to Check Your Progress

### 11.14 Reference/ Bibliography

### 11.15 Suggested Readings

### 11.16 Terminal Questions

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## 11.1 INTRODUCTION

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In this unit you will learn about counselling, its importance, types and process. The unit also covers important aspects of mentoring and its role in organizational and employees growth.

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## 11.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand the meaning of counselling.
- Explain the process of counselling.
- Understand meaning of mentoring.
- Learn about career planning and career graph

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## 11.3 MEANING OF COUNSELLING: FEATURES AND OBJECTIVES

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Behavioural, personal, technical and emotional adjustments have become challenge to sustain in an organisation. Such problems have direct impact on the performance of employees. Therefore, to reduce these adjustment problems or to improve the level of performance, counselling is required. Employee counseling has emerged as the latest HR tool to attract and retain the best employees and increase the quality of the workforce. In today's dynamic environment, no organization is free from stress.

Organizations have now realized that happy employees are productive employees. And employees can be happy only when they are free of stress and tension. Therefore, many companies have integrated the counseling services in their organizations and making it a part of their culture. Organizations are employing full time counselors to assist employees in meeting their targets and assisting them in their personal life also. Counseling offers various benefits to employees. It helps individual to understand himself, understand situations with a new perspective, helping in better decision making, coping with the situation and stress. Counselling is a process where one helps other by solving the problem. There are two parties involved in counselling, Counselee who needs counselling for solving his or her problem. He should be willing to solve his problem and follow the suggested action plan and Counsellor who helps the counselee. He suggests the solution. He prepares the action plan for rectification of problem. He has to identify the problem area. He should be a good listener. He should help their subordinate.

According to Keith Davis "Counselling is the discussion of an emotional problem with an employee with the general objective of decreasing it". Counselling is the relationship between the manager (counsellor) who is counselling, and employee (counselee) to whom counselling is given.

### FEATURES OF COUNSELLING

Counselling is an art. The features of counselling are given below:

1. In counselling the focus is on developmental, educational and preventive concerns.
2. Counselling usually employ process such as guidance, classification, suggestions, etc.
3. The emphasis is on problem-solving and situational difficulties.
4. The relationship between the counsellor and the counselee is friendly, advisory, helpful and trustworthy.
5. The aim is to clear the mental blocks and improve personal effectiveness.

## OBJECTIVES OF COUNSELLING

The prime objective of counselling is to resolve the problem faced by the employees and facilitating them emotionally and technically. With the help of counselling, the problem of an employee can be sorted, and they can focus on the work.

Besides this, the other objectives are:

1. To focus on employee problem and solve it.
2. To provide help to counsellee for improvement with a planned and systematic approach.
3. Resolving the conflicts.
4. To make improvement in communication and interpersonal skills.
5. To provide effective feedback.
6. To help the counsellee to realise his full potential.
7. To identify strength and weakness.
8. To prepare the action plan for improvement in employees behaviour and performance.

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## 11.4 FUNCTIONS OF COUNSELLING

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Following are the functions of employee counselling;

1. **ADVICE:** Counselling is the advice giving activity. The counsellor provides alternatives and suggestions to the employees in such a way that the employees feel relaxed and convenient to make their choices.
2. **REASSURANCE:** Reassurance is valuable in counselling. Counselling provides reassurance to the member of the organisation. This will encourage them to face their problem and take a suitable course of action.
3. **EMOTIONAL SUPPORT:** Counselling helps the employee to release tension and provide emotional support. The problem that causes emotional tension is resolved and employee finds hope in future life and actions. Frustration and other related problems are sorted and the employees become relaxed, confident and rational.
4. **ENHANCED PERFORMANCE:** The support provided by the counsellor helps the employee in regaining confidence which affects his work place productivity. It becomes easier to decide the course of action for attaining the targets.
5. **TRANSFORMATION:** Through counselling employee is reoriented which helps to change his emotional self through a change in basic goal. This transformation leads to positive outlook and perception.

For effective counselling certain skills are required. The counsellor must possess good communication skills which helps the employees to cope with stressful and traumatic skills. There should be proper communication between employee and counsellors. One should be able to convey his or her problem properly and another should be able to resolve the problem. The

counsellor shall be able to manage the feelings of the employee in such a way that he discloses confidential/personal information with the counsellor. The counsellor should be able to clarify the problems of the individual. Also, he should be able to solve the problem and give solution. Counsellor should also have motivation skill. He should be able to motivate the employees towards work, and attaining goals.

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## 11.5 COUNSELLING PROCESS

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To have an effective counselling session, counselling should be done with a proper method and process. Counsellor should be able to build a relationship of trust with the counselee and work upon to understand his problem and offer a solution based on a mutual decision. In counselling process, a counsellor should remain calm and patient and in any case should not lose his temper. Counsellor should be friendly with the counselee so that he is able to share his problem without any hesitation. The counsellor should be open to discussion and should not resist hearing the view point of counselee. The counsellor should not be partial or offer biased solution based on his ease to the counselee in any situation, the solution should be based upon the mutual understanding of the counsellor and the counselee.

Following are the steps in the counselling process:

1. **Identify the problem-** In the counselling process, the first step is to identify the problem of the counselee. Counselee is the person who needs counselling. The counsellor should first identify the problem of counselee. Identification of problem will help counsellor to take a future course of action.
2. **Generating information-** In this step, the employee and counsellor assess the problem. The problem can be related to skill deficiencies, lack of communication, behavioural adjustment etc. The information about the problem/inconvenience faced by the employee is shared. The counsellor listens to the problem and maintains full confidentiality.
3. **Agreeing on a solution-** After identification of the problem the counsellor comes up with the solution of the problem. He finds out an appropriate measure to correct the problem. He should keep in mind that information about the employee should be kept secret.
4. **Implementation-** The solution given by the counsellor is implemented. The employee also commits to meet his work standards.
5. **Feedback** - When the problem is resolved, and a good relationship is established, follow up is needed. Counsellor and employee should communicate regularly and discuss the progress.

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## 11.6 TYPES OF COUNSELLING

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Counselling may be classified into following types:

1. **Directive Counselling-** It is the process of listening to an employee's problem by a counsellor. Finding out what the problem is and what kind of steps should be taken to solve the problem. In this type of counselling, counsellor just gives advice. It may also give emotional release and clarify the thinking.
2. **Non-directive Counselling-** In this type of counselling, counsellor has to listen to the problem of the employee, encourage him to solve the problem, help him to understand the problem and set the course of action. It is "employee centered" that is focused on the employee rather than the counsellor, judge and advisor.
3. **Personal Counselling-** This is the combination of both Directive and Non- Directive counselling. It is an open and interactive process. The employee is being encouraged to discuss his problem and feel free to share anything. Here counsellor makes sure that employee takes the right course of action.



### *Check Your Progress-A*

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**Q1. What are the different types of counselling?**

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**Q2. Define counselling.**

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## 11.7 CAREER DEVELOPMENT AND CAREER PLANNING

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Career is defined as a sequence of work related activities which gives meaning to one's life.

The term career development refers to the continuous growth of the individuals allowing him to expand his career avenues and opportunities. It is the career progression of employee in which an individual moves from one level to another in hierarchy. As the employee moves upward in his career path he acquires more knowledge, experience and skills.

When the employee plans for the desired goals it is called as career planning. The planning is done keeping in mind one's capabilities and skills required to achieve a position in a career.

Career planning includes what career goals an individual strives to achieve and the path which leads him towards his goals.

Career management is defined as the combination of structured planning and the active management choice of one's own professional career.

### OBJECTIVES OF CAREER PLANNING

Career planning has various objectives. These are given below:

1. **Career goals and path:** The first objective of career planning is to identify the skills and capabilities in an individual. It then provides career goals and paths to an individual.
2. **Employee retention:** Career planning helps in retention of employees. Since employees are aware of their career path and growth in the organization, it helps them to make decision to stay for a longer period in the organization.
3. **Reduced employee turnover-** The employee turnover is reduced through proper career planning. Employees can foresee their growth opportunities and HRD helps them to reach their dream positions.
4. **Utilisation of human resources-** Human resources are effectively utilised and productivity is enhanced. Since HRD develops the employees in skills and capabilities, it enhances their productivity in the organization.
5. **Motivation-** To increase the employee morale and motivate them to meet the organisation goals. Career planning will motivate an individual to fulfill career goals.
6. **Develop competencies-** Competencies can be categorised into conceptual, interpersonal and technical. Organisation encourages their employee to develop competencies for future growth.

**Career Planning Process-** Career planning is the process through which individuals identify and implement steps to attain their career goals. Following are the five basic steps in career planning process:

**A. Self-Assessment-** In the self-assessment phase the individual examines his competency and set of skills possessed by him. Human Resource Manager has the responsibility to guide and lead the human resource or employees to the best of their interest. For this, the skills,

strength, and capability of the individual must be analysed and coordinated with his future goals. The HR manager reaches out to the employees through various tests, workshops, training session, etc. The purpose of the mentioned activity is to understand the employee in a better manner and form the action plan to help the employee to add value to his skills and achieve growth in career. Once the employee's skills and capabilities are identified the next step is to facilitate the employee with required information, training, and advice and help them to envision career path and the career opportunities to be tapped.

**B. Investigating career opportunities-** The second phase of career planning involves investigating a range of career opportunities to determine which skills, interests, and abilities are required. After identifying the personal needs and future goals of the employee, the next step involves the analysis of available career opportunities. The HR manager guides the employee in the career path and shows the various possibilities of growth and achievement that could be availed by the employee. The employee is appraised and provided with opportunities based on the skills, expertise, experience and the job performance. The checklist for appraisal also includes the balance between the position and the qualification of the employee. In case any mismatch is found between the two, but the employee has all required skill-set and positive attitude towards learning, various organisations for career development, allow employees to pursue a degree while working.

**C. Goal Setting-** It is the process of using what has been learned through self-assessment and the investigation of career opportunities to decide where one wants to go, at least in the short run. Once the employee has identified the opportunities available for career development in accordance with one's strength, expertise, goals the next step is to blend the employee needs and organisational opportunities to achieve the desired goal. Employees undergo various skill enhancement training sessions to polish his existing skills, learn new skills, and gain deeper knowledge to improve excellence. In performance appraisal process, the organisation identifies the employees who need further knowledge and training to pursue jobs with more responsibility and high expertise requirement and assist them with proper training on the job and off the job learning sessions. This process deepens employee's knowledge, polishes skills and enhances their productivity.

**D. Action planning-** the next step is to follow the action plan to make employee capable of taking higher job responsibility and managing complex work. During the implementation of the action plan, there is also need for proper supervision and control to ensure that the career development process is effective and the employee is learning new skills to achieve the

Goals of the organisation. For career development it is important that supervision is done so that the desired goals are achieved and attainment of goals reflects effective supervision. If the desired results are produced it shows that the employee is moving in the right direction. Thus, in this way both the organisation and employees are able to achieve their goals. However, the goals of the organisation is always on priority and every employee should try to attain the organisational goals and which automatically leads to the attainment of personal /individual goals.

E. Evaluation- The last step of career planning process is evaluation. It helps in knowing the pros and cons of a career plan. It also tells whether the plan was effective or not. Since the career plans may change over a period of time therefore it is essential that the self-assessment of the plans is done on a continuous basis.

## **CAREER STAGES**

Career stages can also be called as path of career progression. Every employee moves from one level to another in a hierarchy in his career. Also, the expectations and choices also shift as employee moves from one stage to another. Following are the stages through which an employee undergoes in his employment:

1. Exploration Stage- In this stage an individual explores the various avenues and possibilities in his career. He starts building his expectation and test his ability to achieve the career goals. This is the stage when employee starts his career and is ready to shift according to his changing needs and expectations from time to time.
2. Establishment Stage- In this stage an individual who was on the exploration stage now makes his choice of career and joins his first job. It is the stage when an employee starts his career. The age of 25 and 44 is said to be the age of establishment in the organisation. During this phase an employee starts as a beginner, gains experience in his field and attain a decent position in the organisation.
3. Mid-Career Stage- In this stage the employee is already established and concentrates on his level of performance in organisations. He learns new skills required for further advancement and keeping updated with the recent trends.
4. Late Career- This is the stage towards retirement. This is the stage when the employee relax and play an advisory role in the organisation.
5. Decline- This is the stage of retirement. The employee is now ready to exit from the organisation.

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## **11.8 MENTORING**

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Mentoring is another method for employee development and continuous improvement to promote more effective career management. The word mentor comes from Greek mythology. A mentor is an actor who teaches.

He is a role model, advisor, and counsellor. On the opposite, the mentee is the person who seeks advice. Mentoring is used for teaching and counselling by an experienced person to the less knowledgeable person. In an organizational setting, mentor is a person who is higher in organization's hierarchy and is supposed to counsel or guide the subordinates.

According to Christensen, 1991, Mentoring is "Guiding of a novice in professional development and the journeying together towards professional excellence."

In mentoring there is a mentor and mentee. Mentor is a person who supervises, counsels and teaches the subordinates. Mentee is a subordinate to whom guidance is given.

## CHARACTERISTICS OF MENTORING

Mentoring entails following characteristics:

1. **Mutual Trust:** For effective mentoring, trust between mentor and mentee is essential. Without trust mentor cannot teach and mentee cannot take the lesson.
2. **Regular “contact” and conversation:** There should be regular communication and conversation between both the parties. Maintaining regular interactions open up the problems of the mentee and it becomes easy for the mentor to guide.
3. **Genuine belief in the process:** There should be concern and care in the mentoring process. It is essential for both the parties to believe in the process.
4. **Desire to build the “institution”:** Mentor and mentee should have a desire to build the institution. Here institution refers to the concept of mutual understanding where mentoring build a relationship between mentor and mentee.
5. **Helps both persons to “grow:** Mentoring helps both the parties to grow and increase knowledge.

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## 11.9 TYPES OF MENTORING

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Mentoring can be classified under following types:

1. **Natural Mentoring-** This type of mentoring occurs naturally and all the time. When both the parties have something common in them, natural mentoring prevails as both the parties have tendencies to probe and advise.
2. **Supervisory Mentoring-** This type of mentoring can be found in the organisation, where superior mentors their subordinates. Superior shares their experience, valuable information, and provides meaningful work and responsibility to subordinates.
3. **Situational Mentoring-** This type of mentoring occurs depending on the situation. It is of short duration and specific purpose. Mentor will help mentee when he requires the assistance/advise of mentor.
4. **Informal Mentoring-** This mentoring depends on the relationship between employer and employee. It is an informal mentoring where both parties have mutual trust, respect and the sharing of ideas and experiences.
5. **Formal Mentoring-** This types of mentoring is formally incorporated in an organisation. One segment is taken to mentor, which is lacking behind in career development. Formal mentoring is an attractive concept for organisation, as this will develop employees and organisation both.

**An effective mentoring undergoes the following process:**

1. **Understanding needs, goals, attitudes and perception-**Needs, goals, attitudes and perception are the basic concept of mentoring. Organisation will

be able to achieve its mission and objective with the help of mentoring programme.

2. **Reviewing mentee's action and consequences-** Mentoring requires the participation of mentor and mentee in progress and evaluation of program review. The review will provide an opportunity for the recommendation, progress, uncover problems, etc.
3. **Identifying mentee's real issue-** By identifying mentee issues, an organisation can develop an effective mentoring action plan. The mentee can find the issues and also solve them with the help of a mentor.
4. **More productive goals-** With the help of developmental assignments, a mentor can provide mentee to aim for more productive goals, attitude, and perceptions.
5. **Developing workable action plan-** Mentor provides an opportunity to mentee to bring innovative approach in problem-solving, assignments and gain exposure, etc.



### *Check Your Progress-B*

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**Q1. What are the benefits of mentoring?**

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**Q2. Define career development.**

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**Q3. What are the qualities of good mentor?**

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**Q4. Multiple Choice Questions-**

- i. Advising, counseling and guiding employees and subordinates is called as;**
- Coaching
  - Mentoring
  - Career management
  - career development
- ii. Seeking guidance from experienced people for advising and counseling is called**
- Mentoring
  - employee's performance
  - career interests
  - developmental needs
- iii. Positions held by an individual throughout his work life are normally referred to as-**
- job
  - task
  - career
  - None of the above
- iv. Who is a mentor?**
- very smart person
  - someone who give support & career advice
  - a psychologist
  - a member of professional society
- v. Feedback in career planning which focuses how well employees fit in future organizational plan is classified as**
- reality feedback
  - massed feedback
  - spaced feedback
  - tactile feedback

**6. Series of positions that a person occupies throughout life regarding job is classified as;**

- a. organization planning
- b. careers
- c. career planning
- d. learning plans

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## **11.10 QUALITIES OF A GOOD MENTOR**

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A good mentor should be:

1. **An effective communicator:** The mentor should be an effective communicator. He should be able to communicate his views and ideas properly.
2. **Open minded-** The mentor should be open minded. He should always encourage the free exchange of new ideas.
3. **Offer feedback support-** A mentor should always welcome the feedback from mentee.
4. **Good listener-** Mentor should be a good and active listener.
5. **Good motivator-** Mentor should be able to motivate mentee. He should give feedback and challenging work assignment to motivate mentee.

A good mentee should be:

1. **Eager to learn-** The mentee should be passionate to learn new things. He should always be ready in search of new things.
2. **Patient-** Mentee should be patient enough to find a result. He should be able to invest time, energy in the relationship with a mentor.
3. **Risk taker-** A mentee must be willing to take risk. He should be able to work beyond his limit. He should be a risk taker.
4. **Positive attitude-** Mentee should possess positive attitude towards learning and work.
5. **Good communication-** The mentee should be able to communicate his thoughts and views to the mentor. There should be an open communication between the two.

### **BENEFITS OF MENTORING**

1. **Specific skills, ability and attitude-** Mentoring focuses on the development of specific skill, ability, and attitude. The mentees may also benefit by developing competencies in them which further helps them throughout their career.
2. **Increase in confidence-** Mentoring results into greater confidence level among individuals. They show better performance at workplaces.
3. **Job satisfaction and motivation-** If any person is being mentored, he will feel supported and motivated. There will be a satisfaction towards his job.

4. **Development of skills-** Mentoring helps the mentee in development of required skills.
5. **Employee retention-** Mentoring is the factor that relates to the job satisfaction. This will help in retention of talented employees.

The essential elements of mentoring are as follow:

- e. **May be formal or informal-** Mentoring can be formal or informal. The major focus is to attain the goal of the organisation. The mentor should keep in mind to maintain a good relation between them.
- f. **Requires a culture that foster trust-** There should be a culture that helps mentor and mentee to establish a trust and loyalty.
- g. **Acknowledges the personal commitment-** An organisation should recognize the efforts of employee and rewards them.
- h. **Requires leader to serve as role models-** Mentor should be a role model for the mentee. Their experience should encourage others.

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## 11.11 SUMMARY

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Counselling refers to the arrangement of professional assistance offered to an individual to refer and provide solution to individual's personal or psychological issues. The first step of counselling process is building a trust relationship between the counsellor and counselee. The counsellor refers to the person who is offering counselling service, he is responsible to develop the trust, understand the issue and offer the optimum solution to the counselee. On other hand, counselee refers to the individual or employee who is experiencing any personal issue, stress and is losing focus and confidence towards the work.

Career planning is the planning of jobs going to be done by an individual to attain career goals. It is a continuous process through which an employee can build up his career goals and finds the way to achieve them.

Mentoring is a formal relationship between an experienced person and an individual who develops skills and knowledge, that will enhance the mentee. It is a relation of mentor and mentee.



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## 11.12 GLOSSARY

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**Career-** career is a sequence of separate but related work activities that provide continuity, order and meaning in a person's life.

**Mentoring-** Mentoring is “Guiding of a novice in professional development and the journeying together towards professional excellence.”

**Counselling-** Counselling is a process where one helps other by solving the problem.



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## 11.13 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –B

- i. B
- ii. A
- iii. C
- iv. B
- v. B
- vi. C



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## 11.15 SUGGESTED READINGS

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## 11.16 TERMINAL QUESTIONS

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- Q1. Discuss the career planning process .
- Q2. Explain mentoring. Explain the mentoring process in detail.
- Q3. Explain the process of counselling.

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## Human Resource Development



### Block – III

**Block Title- Organizational Climate and Culture in HRD**

### Block – IV

**Block Title- Strategic Dimensions of HRD**

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**Course Code-MS 302**

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**Unit II HRD Systems and Structure**

**Unit III Human Resource Development: Strategies**

**Unit IV Role of Line Managers in HRD**

**Unit V Job Evaluation for HRD**

**Unit VI Human Resource Development Practices in India**

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**Unit XVI Performance Management and Human Resource Development**

**Unit XVII Quality Management Practices in relation to HRD**

**Unit XVIII Strategic Human Resource Development**

**Unit XIX Comparative HRD Experiences in Indian and International context**

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**Block III**  
**Organizational Climate and Culture in HRD**

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## **UNIT 12 ORGANIZATIONAL CLIMATE AND CULTURE IN HRD**

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### **12.4 HRD Climate and Organisational Climate**

### **12.5 Determinants of HRD Climate**

### **12.6 Measuring HRD Climate**

### **12.7 Dimensions of HRD climate**

### **12.8 Characteristics of HRD climate**

### **12.9 Components of HRD Climate**

### **12.10 Human Resource Development (HRD) Culture**

### **12.11 Characteristics of HRD Culture**

### **12.12 Impact of Organisational Culture**

### **12.13 Frameworks of Organisational Culture**

### **12.14 Summary**

### **12.15 Glossary**

### **12.16 Answer to Check Your Progress**

### **12.17 Reference/ Bibliography**

### **12.18 Suggested Readings**

### **12.19 Terminal & Model Questions**

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## **12.1 INTRODUCTION**

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It is important to find out a way to develop employees in such a manner in the present time that they become effective contributors to accomplish the goals of an organization. The effective employee should operate and behave in such a manner, even sometimes using their own personal capacities which cannot be generalise to describing their way. These effectiveness will vary as per their organisational context. So, we can summarise it that an

effective employee is a combination of their personality, natural capabilities, their developed skills, experience and learning. For development, it is essential that enhancing their effectiveness not only in present context but also in future. An effectiveness of development of Human resource is ensuring about structuring a developmental culture in an organization. It is essential for HRD to ensure adaptation of culture building practices time to time to create a learning environment within the organization. It helps to build competencies and commitment in the employee within the organization.

In this unit, you will study about the role of organisational culture and climate for Human Resource Development.

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## 12.2 OBJECTIVES

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After reading this unit you will be able to;

- State the nature and importance of Climate and culture for HRD.
- Explain HRD Climate and Organisational Climate.
- Write the characteristics and determinants of HRD Climate
- Identify measures of HRD climate
- categorize the dimensions of HRD Climate
- List the different Characteristics of organisational Climate
- Components of HRD Climate
- List the different Characteristics of HRD Culture
- Describe the impact of Organisational Culture
- Write the frameworks of HRD Culture

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## 12.3 NATURE AND IMPORTANCE

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As we discussed above that HRD helps organizations to provide learning to its employees related to the achievement or accomplishment of organisational goals. This learning can be accomplish with the combination of training, education, and development. Development means acquisition of employee's capabilities that are required to perform the present job, or the expected future job. So we can say that HRD is the process of helping employee to acquire competencies. For this the role of HR become important in term of maximising the profit of an organization.

For an organisation the skills base is one of main assets. Competitors may not copy this for an attitude to encourage learning and to reward efforts which add to the firm's knowledge. It

may outdate and required constant brush up. In long term, focus may not be on a particular skill, but the ability to keep new learning.

Climate can be defined as the perceived attributes of an organisation and its sub-systems as reflected in the way an organisation deals with its members, groups, and issues. The emphasis is on perceived attributes and the working of sub-systems. In other words, the set of characteristics which are used by the employees when they describe about the policies, practises and conditions in the environment of the organization is called as “Organization Climate”.

A sound climate is essential for the survival and growth of organization. The study of organizational climate help in understanding cooperation, creativity, communication, employee satisfaction, employee morale and other important dimension. It also provides insight into the attitude of people towards the organization. An organization tends to attract and retain people who fit its climate, so that its patterns are perpetuated.

Organization becomes vibrant and active when they select people that are dynamic and pro-active. It is very important for the survival of an organisation to adapt the new environment and create readiness among their employees to face the challenges arising before them.

An organization’s climate affects the behavior of its members in several ways. First, it defines the stimuli for them. Second it places constraints upon their freedom of choice. Third it provides source of rewards and punishment. A sound organizational climate ( two-way communication, co operative relationships, etc) is helpful in improving employee morale and job satisfaction and productivity.

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## **12.4 HRD CLIMATE AND ORGANISATIONAL CLIMATE**

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As we discussed earlier that HRD climate and organisational climate integrated with each other, In other words we can say HRD climate is an essential part of organizational climate. It is an employee's perception towards the developmental environment of an organization. Following are the prerequisites of HRD climate:

### **12.4.1 TOP TO BOTTOM APPROACH**

This is the main concern of the members of an organisation. Top management are not only responsible to take decisions but also they emphasize on proper implementation of those decision by adopting various controlling technique. Similarly Lower level employees should have loyal mind-set towards their organization (feel the organisation is of their own) and have to perform their work with dedication.

### **12.4.2 ROLE OF THE MANAGER AND THE SUPERVISOR**

For developing and shaping HRD climate within organisation, Manager and Supervisor are suppose to plays an important role. They determine the values, norms, goals, structure, communication system, decision-making process etc. of the organisation. Simultaneously they help their employees to develop their competencies. A genuine concern and respect for employees will develop positive attitudes towards the organisation.

### **12.4.3 TRUST**

In this process the employer should know and trust his employee's capabilities. Management should encourage their employees and the employees must be given rewards for their pioneering ideas.

### **12.4.4 COMMUNICATION**

The process of communication is concerned with flow of information, its direction (top-down, down-top, horizontal), its disbursement (selectively, to those concern, to everyone), its mode (formal or informal), and its type (instruction or feedback on the state of affairs).

### **12.4.5 FEEDBACK**

A regular feedback helps to know the drawbacks in the system and help to increase confidence in employee's mind. In nutshell, Feedback plays a significant role to build HRD climate in the organisation.

### **12.4.6 INTERPERSONAL RELATIONSHIP**

When informal group support the formal work group, there is cooperation. On the other hand powerful informal groups may create the conflicts and goal displacement in the organization. In other words, Sometimes interpersonal relationships within the organisation are interrupted the formation of informal groups.

### **12.4.7 SOUND POLICIES**

Appropriate change in policies, procedures and rules can win loyalty and commitment of employees. But their implementation must be fair and unbiased.

### **12.4.8 RISK TAKING**

Organization can utilize and develop employees by assigning them risky task. For a sound organisational climate it is important to know that how employees take action to risky assignments and seeking whose help to overcome in situations involving risks.

### **12.4.9 TEAM SPIRIT**

It's important that the employee must have feeling of belongingness and also motivate to work as a team. It is necessary to create the professional work environment.

These are the important pre requisites for HRD climate which contribute for the organizational wellbeing/welfare and renovating competencies of self that ensuring overall potential increasing in an individual, team and the entire organization.

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## **12.5 DETERMINANTS OF HUMAN RESOURCE DEVELOPMENT CLIMATE**

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Following are the most important determinant of the climate:

### **12.5.1 ORGANIZATIONAL CONTEXT**

The mission, goals, objective and policies together constitutes the organizational context. As we know that the management philosophy of an organization is basically reflected by its own policies, its rules, regulations and practices. The response of employees and the degree to which they agree with management philosophy is a major determinant of organizational climate. Similarly, managers attitude towards employee influence an organization's climate. If management is able to reconcile employee's goals to organizational goals, it can create a favorable climate.

### **12.5.2 ORGANIZATIONAL STRUCTURE**

It refers to the network of authority-responsibility relationship in the organization. If there is a high degree of decentralization, it facilitates participative decision-making and employee development. But if the top management prefers consistency in decision-making and close control over decisions, the centre will be centralized.

### **12.5.3 LEADERSHIP PROCESS**

In an organization leadership style, decision-making and related processes sometime influence on climate, the effectiveness of a leadership style depends on the particular substitution because if employees are not satisfied with the leader style their morale and productivity may go down.

### **12.5.4 PHYSICAL ENVIRONMENT**

The working conditions and the characteristics of physical settings also affect organizational climate, cleanliness, safe environment, size and location of office are the important factors. Office size, office place, office décor and the physical space allotted to an employee influence his attitude toward job.

### **12.5.5 ORGANIZATIONAL VALUES AND NORMS**

Every organization has its own values and norms, which indicate desirable behavior. If these value and norms are good and employees observe them the organizational climate becomes positive.

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## **12.6 MEASURING HRD CLIMATE**

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### **12.6.1 ECONOMIC CONDITION**

An organisational economic condition has an impact on its culture in many ways like the more successful or prosperous organisation spends more on research and also they afford more risk.

### **12.6.2 LEADERSHIP STYLE**

Leadership style plays a key role in shaping HRD climate. An autocratic style of leadership may allow high position structure, low individual autonomy and reward orientation, low warmth and support and so on.

### **12.6.3 MANAGERIAL ASSUMPTION ABOUT HUMAN NATURE**

Theory X and Theory Y theories of behaviour predicated and made assumptions, generalizations and hypotheses relating to human behaviour.

### **12.6.4 MANAGERIAL VALUES AND ETHOS**

This involves norms and values that what is good and what is poor as management practice with the help of dimensions like self awareness, risk taking, participation, bureaucracy, employee's security and growth etc.

### **12.6.5 ORGANIZATION SIZE**

The climate varies according to the size of organisation. Normally Small organizations have more open communication system. They more open to democratic and participative functioning in comparison of large organizations.



### Check Your Progress-A

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**Q1. State the essentials for developmental climate?**

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**Q2. Explain the determinants of HRD climate?**

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## 12.7 DIMENSIONS OF HRD CLIMATE

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These are the following dimensions of HRD Climate:-

**12.7.1 PARTICIPATION-** It refers to employee's active involvement in the day-to-day activity of the organization. Employees tend to be cooperative and loyal when they are involved in setting goals and taking decisions influencing them.

**12.7.2 SUCCESSION PLANNING-** It refers to the evaluation and preparation of successor of someone at a higher position. So, employees must have a prior idea about the responsibilities and difficulties they may face in the next higher position.

**12.7.3 HUMAN RESOURCE INFORMATION-** It helps to accumulate the details of employees, their potentials and capabilities, and so on.

**12.7.4 ORGANIZATION DEVELOPMENT-** To facilitate the organisation with greater efficiency and growth, different OD interventions playing an important role. Organisational development determines problem solving and increase productivity within the organisation.

**12.7.5 TRAINING-** Training enrich employees potentials and help to solve the problems they face on their jobs.

**12.7.6 APPRAISAL-** refers to the performance evaluation of each employee with a pre determined standards and also refers appraisal of their potential.

**12.7.7 COUNSELLING-** is the guidance given to the employees to overcome with their on-the-job problems or personal problems that might be affecting their performance in the job directly or indirectly.

**12.7.8 CAREER PLANNING-** refers to the policy set for career development and growth to reach greater heights.

**12.7.9 REWARD AND WELFARE-** reinforces specific behaviour, thereby arousing and sustaining specific motives. It helps to create a healthy environment and influence the organisational climate.

**12.7.10 JOB ENRICHMENT-** It reduces monotony and makes job more challenging. Job enrichment is done. This refers to a great amount of job satisfaction that the employee receives during the performance of their task.

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## 12.8 CHARACTERISTICS OF ORGANISATIONAL CLIMATE

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There are some important features of organizational climate. These are as follows:

**12.8.1 COMMON PERCEPTION:** Organizational climate is the overall common perception of employees which they have about their organization. In other words, it acts as a reflection of employee thinking about what organization is?

**12.8.2 QUALITATIVE CONCEPT:** As we discussed earlier that organizational climate deals with people's perception, it means it is an abstract form. So, it is not easy to describe the components of climate in quantitative terms.

**12.8.3 INTERNAL ENVIRONMENT:** Organizational climate represents the internal condition of an organization.

**12.8.4 UNIQUENESS:** Organizational climate provides a unique identity to the organization. It shows how employees within the organization are different from other organizations.

**12.8.5 ENDURING QUALITY:** Organizational climate, which is experienced by the employees, is reasonably permanent within the internal environment. It develops gradually over a period of time.

**12.8.6 MULTI DIMENSIONAL:** Organizational climate has several dimensions such as authority structure, individual autonomy, leadership style, leadership pattern, conflict handling, cooperation, etc.

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## 12.9 COMPONENTS OF HRD CLIMATE

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HRD climate is considered their employees as the most important and valuable resources, perceiving that developing the competencies of employees is the job of every manager, trust on employee's capability, open communication, encouraging risk taking and experimentation, and creating a climate of collaboration and cooperation, individual autonomy, sound policies, and supportive HRD practices. A good HRD climate positively strengthens the overall organisational environment, encourages commitment and involvement of employee and help employee to achieve job satisfaction. The components of HRD climate can be grouped into three broad categories:

### 12.9.1 General Climate

A general supportive climate is important for HRD if implemented effectively. It consists of top management Style and philosophy, Personnel policies, etc. Positive employee attitudes, belief in the employees' capability and participation are the some of the important aspects that contribute positively in the development of HRD climate.

### 12.9.2 OCTAPACE

The HRD culture deals with the various items. Below the important HRD (OCTAPACE) Culture are as follows:

- i) **Openness** - can be defined as giving ideas, information, feedback, feelings, etc without hesitation. It is an spontaneous reaction of an individual's about their thoughts, feelings, emotions and ideas. It applies both the way- giving as well as receiving. In the HRD climate, openness refers unconditional receiving and suggest corrective measures to encourage feedback and suggestions from customers, colleagues and others.
- ii) **Confrontation** - means in-depth analysis of interpersonal problem and suggest corrective measures with effective solution to a given problem. It encourages to face the problem rather to ignore and come out with suggestions to solve it.
- iii) **Trust** - plays a very important role in institution building process. It is used as a sense of responsibility to maintain confidentiality of information shared by others. so one cannot misuse it.
- iv) **Autonomy** - encourages individual role autonomy of one's own area of specialization. It means respecting individual independence to plan and act in one's own sphere that resulting in willingness to take responsibility with individual.
- v) **Pro activity**- refers taking preventive actions. It facilitate employee to take initiative or preplanning to start a new process or set a new behavioural pattern.
- vi) **Authenticity** - is similar to openness. It refers legally describe rules and regulations. It is a correspondence about one's feeling, articulating and performing within the organisation.

vii) **Collaboration** - refers team work means working together to solve a problem with team spirit. It provides not only timely solution of the problem but also the outcomes involved in collaboration includes team spirit, sharing of experiences, open communication and improved resource sharing.

viii) **Experimentation** - It refers creativity and innovation. It helps in using innovative approach to solve a problem and also encourages creativity.

### 12.9.3 HRD Mechanism

There are various HRD mechanisms plays an important role in the constitution of HRD climate within the organisation . These are performance and potential appraisal, career planning, job enrichment, training, communication and involvement & empowerment.

#### 12.9.3.1 Performance and Potential Appraisal

Appraisal system act as a corner stone for effective HR system. To evaluate employee's current work performance, appraisal play a vital role and creates the better understanding about employee's abilities and competence for further growth and development.

#### 12.9.3.2 Career Planning

Career planning is an ongoing process of learning and development of human resources. It is a systematic process of matching between career goals and individual capabilities with opportunity for their accomplishment. For the development of HRD climate employee's perception towards career planning contribute in the same.

#### 12.9.3.3 Job enrichment

It comprises with important job contents at routine job. These include

- Improvement in natural work unit.
- Enhance workers-client relationship.
- Set a combination of task.

#### 12.9.3.4 Training

Training helps to improve employee's performance by improving their knowledge & skills for doing a particular job. It increase employee's ability to perform a task through learning, generally by changing their attitude or increasing their skills and knowledge. Briefly, it is necessary for any organisation specially in changing environment to improve their employee's quality of work at all levels.

### 12.9.3.5 Communication

Communication is exchange of information between two or more persons. It's a two way Process.

### 12.9.3.6 Involvement & Empowerment

Involvement and empowering the employees increase their commitment towards their work as well as their organization.



#### *Check Your Progress-B*

**Q1. Write the dimensions of HRD Climate.**

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**Q2. Define HRD (OCTAPACE) Culture.**

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## **12.10 HUMAN RESOURCE DEVELOPMENT (HRD) CULTURE**

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Organisational culture framework depends on various terms such as beliefs, values, ethics, ethos, climate and culture. Let's describe the concepts of culture in three tier approach- the core level describes the value that gives a distinct identity to a group. The second level is climate, the distinguish characteristics of an organisation and its subsystem. It disclose the way of dealing with its members, groups and issues. And the third level is Culture - the cumulative beliefs, values and assumptions underlying transactions with nature and important

phenomena as reflected in rituals etc. Culture is reflected in the ways adopted to deal with basic phenomena.

Culture is a powerful determinant through which one can perceive employee's performance problems and their solutions. It too determines how employee development interventions are created, implemented and evaluated. It means it plays both frames of culture like the significant role of HRD as a field of scholarly endeavour and as a professional area of practice. Kopleman's culture and climate model (1990) is a helpful tool for demonstrating cultural power in an organization and how this influence shapes the role and the strategic importance of HRD. It also addresses the most critical cultural bonds shaped by our society, organization, and occupational backgrounds which influence today's work force. You may say that these values and beliefs influence the HRD practices of the organization. Kopleman suggested that affection, performance and citizenship related behaviours marked themselves in absenteeism, turnover, teamwork, moral support, etc. These behaviours and their appearances are the centre of many HRD theories and models that concerned with demanding change.

In the work environment, when beliefs are shared by members of the same culture or subculture, it can create a sense of unity in both protective and spiritual sense. Members of a particular culture are likely to see themselves as separate and unique. In the mean time, cultural unity is emphasized and increased when individuals from one Culture came across with those of another.

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## **12.11 CHARACTERISTICS OF HRD CULTURE**

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- Individual autonomy: the degree of responsibility and freedom and opportunities of exercising initiative that individuals posses in the organization.
- Structure: the rules and regulation and the amount of direct supervision that is used to oversee and control employee behavior.
- Support: the degree of assistance and warmth provided by managers to their subordinates.
- Identity: the degree to which members identify with the organization as a whole rather than with their work groups or field of professional expertise.

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## **12.12 IMPACT OF ORGANISATIONAL CULTURE**

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### **12.12.1 GOAL SETTING:**

People are the basic building block of an organization. Cultural moulds people and regulates their thinking on the objective to be pursued. That is why one organization aims at profit-maximization where as another organization considers it an unworthy objectives.

**12.12.2 WORK ETHIC:**

Culture determines the morale, principles to be followed at work. It help to derive the ethical values and principles of any organization and its members.

**12.12.3 MOTIVATIONAL PATTERN:**

The motivational pattern of an organization determine by the cultural values.

**12.12.4 WORK PROCESS:**

Decision making, communication, controlling and processes in an organization are influenced by its culture. Bhattacharya has analyzed how corporate culture influences professionally managed and family managed company in India.

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**12.13 FRAMEWORKS OF ORGANISATIONAL CULTURE**

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**12.13.1 POWER MODEL OF ORGANISATIONAL CULTURE**

Distribution and concentration of power can be one basis of classifying cultures. From this point of view, organisational culture can be of four types: autocratic, bureaucratic, technocratic and entrepreneurial. Autocratic culture is characterised by centralised power concentrated in a few individuals and observations of proper protocol in relation to the people in power. Bureaucratic culture is characterised by primacy of procedures and rules, hierarchy and impersonal relationships. Technocratic culture emphasises on technical and professional standards and improvement. Entrepreneurial culture is values, achievement of results, and quality customer service.

**12.13.2 HOFSTEDE'S FRAMEWORK OF CULTURE**

Hofstede, based on a cross national study of a large sample, suggested a comprehensive framework of 4 dimensions to study cultural differences:- individualism vs collectivism, uncertainty avoidance, power distance and masculinity vs femininity. He has also prepared an instrument to measure these aspects both in societies and in organization.

**12.13.3 THREE PROSPECTIVE FRAMEWORK**

Martin proposed that culture operates at three level: - integrated (common characteristics), differentiated (different characteristics in different subgroups), and fragmented (containing

contradiction and confusion in the complexity of the dynamics). This may help to have a deeper understanding of the organizational culture.



### Check Your Progress-A

#### Q1. List the characteristics of HRD Culture?

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#### Q2. Describe the impact of Organizational Culture?

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#### Q3. Fill in the Blanks with appropriate word or words.

- i. The fundamental assumptions people share about organisation's values, beliefs and norms is referred to as\_\_\_\_\_
- ii. \_\_\_\_\_ are defined as the enduring beliefs and expectations held to be important guides to behaviour by a person or group of people.
- iii. \_\_\_\_\_are defined as temporal beliefs based on evaluative interpretations of current conditions.
- iv. \_\_\_\_\_values express a normative mode of conduct that tells members what they should pay attention to.
- v. The basis of Organisational climate is on the \_\_\_\_\_of members towards the organisation.
- vi. Organizational \_\_\_\_\_ focuses on an individual's perception of events and behaviours expected in a given organization.
- vii. If the organizational culture is valuable and uncommon, it can be a basis of \_\_\_\_\_.

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## 12.14 SUMMARY

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In this unit we have discussed the nature and importance of Climate and culture for HRD. Several terms have been used for culture and related phenomenon. While organizational culture comprises the cumulative and shared values, attitudes, rituals and sanction in a group, organization ethos are the profile of core values, an organization climate is the pattern of perceived and experienced attributes of organization. Further we learnt about various dimension, characteristics, measures and components of HRD climate. We also learned about different characteristics of HRD culture. Additionally we learned the impact of organizational culture. We studied about different frameworks of culture also. Any of these framework can be used to study organizational culture.



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## 12.15 GLOSSARY

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**Authenticity:** refers to legally describe rules and regulations.

**Autonomy:** means individual independence or freedom to plan and act in one's own sphere that resulting in willingness to take responsibility.

**Career planning:** is an ongoing process of learning and development of human resources.

**Climate:** the distinguish characteristics of an organization and its sub-system as reflected in the way it deals with its member, groups and issues.

**Collaboration:** means working together to solve problems with team spirit.

**Confrontation:** - involves in-depth analysis of interpersonal problem and evolve effective and efficient suggestions and solutions to a given problem

**Culture:** It is a set of shared values, understanding, assumptions that controls the behavior of organizational members.

**Experimentation:** refers to creativity & innovation.

**Individual autonomy:** the degree of responsibility and freedom and opportunities of exercising initiative that individuals poses in the organization.

**Pro activity:-** refers taking initiatives, preplanning and preventive actions.

**Work ethic:** culture determines the morale, principles to be followed at work.



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## 12.16 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –C

#### **Q3. Fill in the Blanks with appropriate word or words.**

- i) The fundamental assumptions people share about organisation's values, beliefs and norms is referred to as **Organisational Culture**.
- ii) **Core Competencies** are defined as the enduring beliefs and expectations held to be important guides to behaviour by a person or group of people.
- iii) **Values** are defined as temporal beliefs based on evaluative interpretations of current conditions.
- iv) **Traditional values** express a normative mode of conduct that tells members what they should pay attention to.
- v) The basis of Organisational climate is on the **Perceptions** of members towards the organisation.
- vi) Organizational **climate** focuses on an individual's perception of events and behaviours expected in a given organization.
- vii) If the organizational culture is valuable and uncommon, it can be a source of **competitive advantage**.



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## 12.18 SUGGESTED READINGS

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1. Garry Desseler (2008), *Human Resource Management*, Prentice-Hall India
2. Pareek Udai (2007), *Understanding Organisational Behaviour*, second edition, Oxford publishing Co., New Delhi.
3. Deepak Kumar Battacharya (2008), *Human Resource Management*, Excel Books, New Delhi.



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## 12.19 TERMINAL QUESTIONS

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- Q1. Define Human Resource Climate. What are its various dimensions?
- Q2. Explain various characteristics and determinants of HRD Climate.
- Q3. Explain briefly the different measures of Human Resource Development (HRD) Climate.

- Q4. 'Organizational culture has great impact on performance and satisfaction in an organization.' Elucidate with suitable examples.
- Q5. How can you classify cultures using the power framework?
- Q6. Discuss the factors that determine organizational culture.
- Q7. How organizational culture is created and sustained?
- Q8. Discuss different approaches to understanding HRD Culture.

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## UNIT 13 HRD FOR WORKERS

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### 13.1 Introduction

### 13.2 Objectives

### 13.3. HRD for workers: Concept, Need & Objectives

### 13.4 HRD Mechanism for Workers

### 13.5 Operationalising HRD for Workers

### 13.6 Problems and Challenges of HRD

### 13.7 Summary

### 13.8 Glossary

### 13.9 Answer to Check your Progress

### 13.10 References

### 13.11 Suggested Readings

### 13.12 Terminal Questions

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## 13.1 INTRODUCTION

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With the advent of technological developments, globalization and digital proliferation experienced by industries and business in last two decades, human resource has become indispensable and more vulnerable. The volatility and criticality of business and industry, uncertainties in economies and changing dynamics of workforce demographics are hampering the skill, knowledge and learning both at individual level as well as organizational level. The prime asset that will cater these factors towards the goal of excellence will be the workers of the organizations who immensely contribute by performing individually and collectively. This asset is highly influenced and affected by the methods and ways the organizations and its management develop and implement the things and most importantly how workers are treated by them.

Employees are the most dynamic and vital but highly expensive resource of any organization. They are required to be actively involved and engaged at their best potential. Despite of being a young discipline, HRD is well established and highly practiced field of Human Resource Management worldwide. The development of workers in present world requires a coherent and strategic approach encompassing the blend of learning and doing. HRD is one of those strategic approaches which focus on the resourcefulness that worker bring forth for the

success of both organizational and personal growth. According to American Society for training & Development “HRD should be an entrepreneurial function, to increase the importance of the HRD”. Leonard Nadler Defines HRD as "Those learning experiences which are organized, for specific time and designed to bring about the possibility of behavioral change”. Though the field of HRD evolved in late sixties and introduced by Leonard Nadler in 1969 in a conference in USA, HRD for workers is not an old concept and is mostly concerned with the developing economies where the condition of labour is not good. A shift from development of employees to workers specifically reflects the concern of HRD towards the weaker section of the society. Various functions of HRD such as training, coaching, career development, OD and performance management focussed on the needs of the middle and top level employees in the organisation. However there was no such measures which were concerned about the welfare of unskilled workers. Another plight of unskilled workers is that they are mostly hired on a contractual basis due to which they do not seek the attention of the management and are ignored or left onto their contractor’s responsibility. Thus, in country like India where the population is large and poverty is high, HRD is a challenging task to fulfil and cater to the needs of the workers.

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## 13.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand the meaning of HRD for workers.
- Understand HRD mechanism for workers.

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## 13.3 HRD FOR WORKERS: CONCEPT, NEED & OBJECTIVES

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The concept HRD for workers signifies the importance of workers in organisation and the role of HRD in their growth and empowerment. Since workers are the most neglected section of an organisation therefore, the need was felt to devise a mechanism where HRD focuses on the development of workers. Workers comprise of the maximum strength of any workforce in organisation and hence they equally deserve attention in terms of training and development. If the organisation starts thinking in this direction it will be able to improvise the lives of many workers who still remain deprived in their own premises where they spend their lifetime. Thus, the aim of HRD for workers is the upliftment of the workers in organisation and society as a whole then only we can think of holistic development otherwise not. Since, training and development incur expenditure and thus the organisations do not pay much attention to their need which is wrong. Workers are the pertinent part of an organisation and they have all the rights to grow but HRD can facilitate this given top management supports the idea. Although several measures such as collective bargaining, workers participation in management is already practiced in the organisation to make workers feel that they are the

important part of the organisation but to some extent their training and development aspects are not looked into due to which they continuously suffer from low wages and minimum standard of living. HRD for workers is a step towards the growth of workers through which the prospective workers can also get a chance to work on higher grades if skills are acquired accordingly.

### **HRD FOR WORKERS: NEED AND OBJECTIVES**

Workers now have a high level of human aspirations and are continually striving for achievement. Workers are now driven by a goal to graduate new positions and are now willing to gain and assimilate new skill set and knowledge for better application of performance. They now wish to be a part of greater value creation. The breakdown of geographical boundaries due to globalizations, privatization and liberalization requires organizations to think and act considerably on following issues. I) organizations will be required willingly or forcefully, to address the issues related to ethnicity and racial prejudice as well as cultural insensitivity and tolerance along with linguistic differences. II) Organizations are required to provide equal opportunity to workforce as more and more women are now entering in industries and also to provide them opportunities for advancements and protection from harassment and other gender related issues. And finally, III) the aging workers who are having different and specific needs regarding recognition and learning related issues. HRD for workers is a strategic approach which includes a process through which employee at work are supported and facilitated in a structured, specific, planned and continued way in order to attain the required key capabilities(both personal & professional), advancement of intellectual, psychological, social-cultural and human aspects.

HRD aims towards creating confidence and competencies in workers and influence the course of action. Broadly, HRD for workers have following objectives:

- i) To provide elaborative and inclusive framework for the development of overall personality of every worker in organization.
- ii) To develop the constructive mind and agility in workers.
- iii) To develop the capabilities of each individual in relation to his current and upcoming future roles and challenges.
- iv) To develop and maintain high sense of motivations in workers.
- v) To develop dyadic and conducive relations between workers and management.
- vi) To develop sense of team spirit, team work and inter-team collaborative capabilities in the organizations.
- vii) To develop overall health and self-renewing skills and capabilities which, in turn, increase the enabling capabilities of individuals, dyads, teams, and the entire organisation.
- viii) To generate systematic information about human resource for the purpose of manpower planning, placement, succession and the like.

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## 13.4 HRD MECHANISM FOR WORKERS

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Growth and development of workers require appropriate and effective methodologies and intervention strategies. The traditional mechanism of HRD majorly incorporates performance appraisal, potential appraisal or role analysis etc. In different sectors, different focus of HRD is present therefore; it is extremely difficult to estimate the common needs of the workers across industries and businesses. Following are some key mechanism which results into effective HRD for workers:

1. **TRAINING-** Training is one of the most important mechanisms used for HRD for workers. Training becomes essential to update new set of skills among the employees in the constantly changing business environment. Training leads to enhanced productivity of an individual and improvement in human skills. Through proper training workers can easily shift to a better work where he can have fair standard of living and lead a better life.
2. **COUNSELLING-** Another important mechanism for HRD is counselling which provides timely directions, advices and guidance to the workers & help them to develop themselves. Counselling motivates the workers and help them to overcome any obstacle and conflict arising in the execution of work.
3. **PARTICIPATION-** Worker's participation in management is an effective tool in the hands of employers wherein the workers are included in collective decision making process of an organization. Workers feel engaged and such participation leads to employee commitment. Work committees and joint management councils are the councils through which workers participate in the decision making process of an organization.
4. **POTENTIAL APPRAISAL-** Potential refers to one's skills or abilities required to meet the demands of the job which one is holding but yet not realized by him. It is different from performance appraisal as it is the assessment of the capabilities of workers for their future assignment while on the other hand, performance appraisal deals with current inventory of skills against present performance. A good potential appraisal system helps organization and management to pick up suitable candidate for a given job.
5. **REWARDS-** Rewards can be categorized into intrinsic and extrinsic. Intrinsic rewards comes from their job itself like sense of accomplishment , meaningfulness in job etc. extrinsic rewards comes from external environment and includes pay, bonus, promotions and other benefits. Rewards must be linked with performance so that employees are motivated to attain higher performance levels. However these days organizations are promoting team based rewards to employees. The organisation has to ensure that the workers are motivated to do the work. For this it has to devise the methods of motivating the workers so that they are committed to the organisation.
6. **EMPLOYEE WELFARE AND QUALITY OF WORK LIFE-** Employee welfare refers to the efforts to make life worth living for workmen. It includes various

activities and services, facilities and benefits which are offered by organizations and government. The purpose is to enhance and improvise the standards of living in substantial manner and thereby improve worker's quality of work life. Quality of Work Life(QWL) means having good work environment, substantial wage system, good directing and controlling, meaningful jobs. QWL can be facilitated by the means of suggestion programs, socio-technical system, co-determination, self-managed work teams, quality circle, TQM, open door policies and continuous employee engagement.

7. **HUMAN RESOURCE INFORMATION SYSTEM, (HRIS)-** It's a method by which an organization systematically collects, develop, maintain and report the key information of the workers regarding their jobs, skills, performance against stated standards, training and knowledge in a centralized data center. HRIS systems provide real time information about workers. A sound HRIS system may collect personal data having identification, and demographic intel, recruitment data like entry date, grades in aptitude and leadership test etc., experience data like placement history, promotions, task performed etc., appraisal data like appraisal on each job, commitment to overall goal etc., training data like training received and current training assignment of worker and miscellaneous data which may comprise of health status, personal problem, social media actions, security needs etc.
8. **HUMAN RESOURCE PLANNING-** It is the process aimed at ensuring the adequacy of human resource to meet the demands of the organization . Human Resource Planning deals with checking the human resource inventory and calculating the number of employees required for current and future job demands.
9. **DEVELOPMENT OF TEAM WORK AND EMOTIONAL INTELLIGENCE-** HRD section must develop a strategy to facilitate the team work among worker. Team works requires that the members have an image of their own team mates, coincide as precisely as possible with reality. Similarly, it is essential to understand the role of emotional intelligence in enhancing the productivity of the human resource which could be a key factor in development of workers.
10. **CAREER PLANNING-** Managing career has become necessity in every organization. An ideal way to career development is to align the needs of the worker with their job satisfaction and growth. Career management efforts are one way of ensuring that employees are being offered opportunities to develop by themselves, while at the same time, the organization is creating a pool of internal talent.
11. **JOB ENRICHMENT-** Routine job and repetitive work become monotonous to workers. Therefore, to motivate the employee's job enrichment is done which refers to assigning additional responsibility to employees usually reserved for higher levels. Herzberg called it "vertical job loading factors". It is used to achieve organizational goals effectively and efficiently. To motivate the employees in the organisation it is essential to enrich their jobs. Through job enrichment the employees are trained and skilled for a higher level job and monotony in work is also broken. Thus, job enrichment makes the work interesting for employees and they ensure that they execute their tasks with the best of their ability.

**12. TRADE UNIONS-** The purpose of trade unions is to protect the rights of the workers economic, social and political. Workers have always been considered as weaker section of the society and tools in the hands of management. In order to safeguard the rights of the workers and save them from exploitation trade unions were formed. Workers united together to put their demands in front of the management. Due to the pressure of trade unions even management becomes bound to listen and fulfil the demands of the workers. However, exploitation of workers did not stop as they feel themselves divided among trade unions and management. Few trade unions becomes the agent of the management and tries to influence the workers and in some cases the trade unions are not even recognised by the management so that they can fight for the right cause. Thus, HRD plays an important role in attracting the faith of the workers by ensuring them that the organisation is concerned about their growth and development. The workers will also co-operate when they will realise that the management is working for their betterment of life and development of skills.



### *Check Your Progress-A*

**Q1. What is meant by HRD for workers?**

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**Q2. What are the challenges of HRD in developing the workers?**

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**Q3. MULTIPLE CHOICE QUESTIONS:**

i. How does training and development offer competitive advantage to an organisation?

- a. Removing performance deficiencies
- b. Deficiency is caused by a lack of ability
- c. Individuals have the aptitude and motivation to learn
- d. None of the above

ii. Which of the following is a benefit of employee training?

- a. Improves morale

- b. Helps people identify with organisational goals
- c. Provides a good climate for learning, growth and co - ordination
- d. None of the above

iii. \_\_\_\_\_ seeks to examine the goals of the organisation and the trends that are likely to affect these goals.

- a. Organizational Support
- b. Organizational analysis
- c. Person analysis
- d. Key skill abilities analysis

iv. Which of these is the benefit of needs assessment?

- a. Assessment makes training department more accountable
- b. Higher training costs
- c. Loss of business
- d. Increased overtime working

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## 13.5 OPERATIONALISING HRD FOR WORKERS

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HRD for workers can be operationalised with the help of various factors like top management commitment, involvement of middle management, encouraging open communication in the organization, conducting periodic reviews, continuous education and training to employees. One of the most important requirements for operationalizing the HRD intervention program is to assess the need of program. It is critically important to identify the gaps between present skill and knowledge of workers and the desired set of skills and knowledge. There are three need assessments that are conducted before designing and implementing any HRD program for workers.

- 1) **ORGANIZATIONAL ASSESMENT-** It analyses the effectiveness of the organization as a whole and point out any discrepancies and loop holes. It is used deliberately to unfold the competencies and required skills to bridge the gaps. It also take into consideration the external environmental factors like economic conditions, policies, legal framework, technological advancements, changes in dynamics of workforce demographics etc. The organisational assessment starts with knowing the mission, vision and culture of the organisation. The planners are keen to know the work culture prevailing in the organisation and the mission it wants to attain in the

long run. Thus, it is observed that whether the organisational climate allows for the implementation of training programme for the employees. In organisational assessment it is observed that whether the organisation supports the training environment and is keen for the development of its employees.

- 2) **TASK ASSESSMENT-** It collects the information about specific job function or particular occupational group. It explores the key task, competencies and skill set required to perform the job. Job description, skill analysis and job inventory questionnaire are the tools for task assessment. It put forth the specific training needs. When organization is desired to go to new direction or the undergoing with process of restructuring, this assessment is helpful. In general task assessment answer the following question: What skill and behaviour set must be acquired in this job function? In task analysis the duties and responsibilities mentioned in a job are clearly looked at and analysed that what are the job requirements in each job. The information about the task analysis is retrieved from the department head, from job analysis and even personally from each employee.
- 3) **PERSON ASSESSMENT-** This assessment is also called as person analysis. This is the third most important factor in identifying training needs in organisation. Person analysis refers to the education, skills acquired by the employees to perform a particular task. The purpose of this step is to know whether the employee carries essential skills to do perform a task. If he do not possess the required skill he is identified to be trained as per the training programme.

Thus, the purpose of training need identification is to analyse the training requirements in such a way that the priority may be fixed for training and the people who require training are also identified so that training is imparted to only those who need it severely. Moreover, identifying training needs also helps the organisation in developing the employees of the organisation and making them competent enough to compete with the competitors.

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## 13.6 PROBLEMS AND CHALLENGES OF HRD

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Though HRD has offered several benefits to the organisations, this field also suffers from problems and is posed with various challenges. There are few issues and challenges which need to be addressed. They are as under:

1. HRD aims at providing latest training to the employees and always work in this direction where employees shall gain from new methods of doing the work. But the constraint is the organisational environment in which the employee works. If the organisational environment is not conducive it will be difficult for him to implement his gained knowledge in the system. Moreover when the learnt knowledge is not applied, there will be a state of frustration of not being able to implement whatever has been learnt by the employee and e starts searching for the organisation which embraces such knowledge.

2. The second problem faced by HRD is when the training needs are not identified properly. In such situation training remains just a formality or we can say that delivering something which is not required in the organisation. Thus, it is very important to see that the training needs are properly identified so that training is imparted in the areas which deserve attention. In this way the purpose of HRD is executed and the employees are able to gain from such training programmes.

3. Cultural and language barriers also pose a challenge to HRD in the diversified environment. Though the main purpose of HRD is to train employees in new methods and techniques but due to cultural differences the trainees find difficulty in adopting the same. Not only this, language also becomes the hurdle in understanding the concepts properly. However for such employees language training is provided before proceeding with the actual training programme.

4. Another problem with the HRD is that mainly lecture method is used in the training sessions. Still the use of case studies, workshop sessions and practical sessions are still limited due to which employees do not find them much interesting.

5. Another challenge faced by HRD is that the training profession and career progression in HRD is not lucrative and therefore competent persons do not wish to join the departments. Thus, there is a need that the organisations should stress upon making these posts lucrative so that talented and competent people join it and train others for the overall organisational growth.

6. The field of HRD also suffers due to lack of sufficient training institutions to impart training to the industries. As setting of such institutions require funds and therefore less attention is paid to establish such institutions. Training of employees is always left as an option to avail by the organisations. Actually this is also one of the main reasons for slow growth of the organisations.

9. Some organisations are not HRD conscious due to which they do not allocate funds to this department. Whatever training is imparted is just on the papers and the organisations are not bothered about the same.



### ***Check Your Progress- B***

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#### **Q1. Multiple Choice Questions-**

- i. Which of the following is most important for HRD?
  - a. to be clearly related to the organisation's objectives

- b. to be clearly related to the expertise in the department
  - c. to be flexible to be able to respond to sudden crisis
  - d. to operate as an extension of the HRM department
- ii. First step of Human Resource development in any organization is
- a. assessing needs for development
  - b. identifying capabilities
  - c. formulate HR plans
  - d. determining development approaches
- iii. Process of improving ability of employees regarding handling of assignments is classified as
- a. workforce staffing
  - b. career identification
  - c. development
  - d. career planning
- iv. Which of the following is a method used in group or organisational training needs assessment?
- a. Consideration of current and projected changes
  - b. Rating scales
  - c. Interviews
  - d. Questionnaires

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## 13.7 SUMMARY

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In a country like India, there is a vast reservoir of latent talent in workers which if nurtured and chiselled carefully can increase organizational synergy. Creation of necessary 'environment' for development is, however, a pre-requisite. Both management and trade unions have to shed their traditional role towards workers and show progressive attitude. For the success of every organisation it is necessary to have an effective HRD mechanism in an organisation. A good HRD system can help in maintaining and building a better HRD structure, which involves an equal distribution of responsibilities and authorities among the HR personnel.




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## 13.8 GLOSSARY

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**Human Resource Information System**-It is a method by which an organization systematically collects, develop, maintain and report the key information of the workers regarding their jobs, skills, performance against stated standards, training and knowledge in a centralized data center.

**Counselling**- It provides timely directions, advices and guidance to the workers & help them to develop themselves.




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## 13.9 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –A

i. A      ii.B      iii.B      iv.A

### Check Your Progress –B

i. A      ii.A      iii.C      4.D




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## 13.11 SUGGESTED READINGS

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## 13.12 TERMINAL QUESTIONS

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- Q1. What are ways by which HRD can be operationalised?
- Q2. Explain the mechanism of HRD for workers in detail.
- Q3. Discuss the role of Trade Unions in HRD for workers.

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## **UNIT14 HRD/OD APPROACH TO IR CORPORATE BUSINESS**

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### **14.1 Introduction**

### **14.2 Objectives**

### **14.3 Meaning of Organizational Development**

### **14.4 OD and its Impact on Industrial Relations**

### **14.5 OD Principles and Practice**

### **14.6 Stages of OD and Action Research Model**

### **14.7 Approaches of OD towards industrial relation system**

### **14.8 Summary**

### **14.9 Glossary**

### **14.10 Answer to Check Your Progress**

### **14.11 Reference/ Bibliography**

### **14.12 Suggested Readings**

### **14.13 Terminal & Model Questions**

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## **14.1 INTRODUCTION**

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In this unit you will learn about Organizational Development and industrial relations. Since time immemorial, the mankind continuously and consistently strived to improvise the life and work. The intense, rapid and game-changing dynamism of digital, technological and networked communication along with the changing paradigms and doctrines of business, steeping competition, growth, and development, stability issues and process reengineering are posing significant challenges for business and organizations. They are now required to re-evaluate, reformulate, reinstate, redesign and reengineer business process, business doctrines, policy frameworks, and socio-cultural aspects, structural and operational philosophies. In order to meet the future demands of work and the threats of changing business environment, the key to resolve this issue is its people. The people of the organizations ensure the survivability, sustainability and success in turbulent and uncertain business conditions. Organizations which are ignorant, indecisive and insensitive for potent changes in social, technological, economic, political, legal and environmental conditions loose sustenance and growth due to lack of willingness to cope up with external environment.

Similarly, the industrial relations are also getting affected by changes all around. The confrontation between employer and employee are now all time high. Employers are demanding more than fair need of job from employees and on the other hand, employees are finding themselves unable to adjust with the rapid transitions. The intensive pressure of performing outstandingly is hampering the organizational harmony in great deal. Organizations are ignorant towards employees physical, mental & psycho-social aspects to face changes at workplace resulting in conflict and resistance. Many of the economies in recent decades moved to free market economies hence the employee relations system are in phase of transition. Technological shifts have brought forth the crucial changes in the context & structure of work affecting the collective OD-IR system and its direction. There is an up-growing demand of autonomy, mastery and purpose at work by employees and it is now very difficult for the organizations to ignore them.

To meet these challenges, the organizations are required to make their employees more agile and more adapting. OD is such a key which enables the employee to meet the demands of work in future with great industrial harmony. A well-planned, organized and collaborated effort in terms of OD could ensure the good organizational health, vitality and great IR harmony.

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## 14.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand the meaning of organizational development.
- Explain the meaning of industrial relations.
- Explain Principles of OD.
- Understand Stages of OD and Action Research Model
- Know about Approaches of Industrial Relations

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## 14.3 MEANING OF ORGANIZATIONAL DEVELOPMENT(OD)

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OD is a structured, specific and target-oriented intervention strategy to enable the employee to face the upcoming work challenges efficiently and effectively which results in overall growth and success of organization. It is a process to put forward those patterns to human work behavior that are helping and fostering development. When these efforts and patterns of behavior at work are brought to the conformation of the employees, it promotes and reinforces their critical behavior that facilitates development and change. OD ensures the sustainability and viability of organizations in extreme conditions. It is the field of both, the applied behavioral science that strictly focus on understanding and managing the required change or intervention and the field of scientific investigation encompassing sociology, psychology, personality, motivation and learning. Organisational Development can take place

at three levels in the organisation- structural, behavioural and technological. Hence Organisational Development aims at bringing either structural change, behavioural change or technological changes. To bring these changes, the field of OD uses various intervention strategies which are targeted to bring positive changes in the overall organisation.

The field of OD has helped the organisations which undergo drastic changes and rapid transitions. Ever since the field has emerged it has always contributed to the overall development of the organisation. Various definitions have emerged to define the true nature of OD and according to classical definition OD is defined as an effort planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization's 'processes,' using behavioural-science knowledge.” The emergence of OD has since its evolution helped the organisations in finding solutions to the problems both short term and long term. OD is defined as the study of behavioural science knowledge which makes use of strategic interventions to bring changes in the structure , technology and individuals for achieving organisational effectiveness. It is called as a system wide process also because OD brings changes throughout the system rather than on a specific unit or department. The interventions in OD are based on bringing changes in the organisational structure so that effectiveness can be achieved. Similarly, OD may also bring change in the methods of doing the work especially if new technology is required then OD helps in easy adoption of technology among the people for overall development.

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## **14.4 OD AND ITS IMPACT ON INDUSTRIAL RELATIONS**

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Industrial relation is defined as relation between employers and workers, employers and employees, workers and workers in order to maintain harmony and peace in the organization. Though, government is one of the significant element of industrial relation, hence industrial relation can be defined as the relationship between employers, workers and the government.

Whenever the dispute is not resolved within the organization, the parties take help from the government which is the statutory body which directs both the parties and resolve the disputes among them. Hence the role of government in maintaining industrial peace is pertinent. The organization is a complex system which undergoes rapid transition from time to time. OD revolves around this transition because it brings several challenges and problems for the organization. Hence OD has to react proactively to cope up with the changing situations and market dynamics. The rapid changes in the organizations may create turbulent situations for the employees and hence it may affect their relationship with the management. OD practitioners play a very important role in maintaining harmonious relations in the organization as they act as a mediator, facilitator in the development process of the organization. Thus, industrial relations can be maintained with the help of OD practitioner and the organization can take benefit of this in the collaborated growth of the organization. When OD consultants interact with the employees they come across several issues which

remain untold in the organization. Thus, OD practitioners by keeping the interaction confidential can communicate the matter to the employers so that a positive change can be brought in. Thus, OD consultants play a very important role in influencing the industrial relations. The employees also feel secure and open up in front of the OD consultant discussing their problems and issues. This way, the OD consultant using his behavioral science knowledge can easily affect the behavior of workers and employers in the betterment of the overall organization.



### *Check Your Progress-A*

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#### **Q1. Define Organizational Development.**

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#### **Q2. Define Industrial Relations.**

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#### **Q3. What are the stages of OD process?**

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#### **Q4. Multiple Choice Questions:**

1. OD process is cyclical and ends, when:-

- a. Desired development result is obtained
  - b. Plan is implemented
  - c. Data is gathered
  - d. Problem is identified
2. OD can also be called as a process:-
- a. For performance appraisal
  - b. For change of people
  - c. For teaching people how to solve the problem
  - d. All of the above
  - e.
3. People in the organisation should be treated as
- a. Important resource
  - b. Natural resource
  - c. Working capital
  - d. All of the above
4. OD intervention seminars are being conducted in the organizations to:-
- a. Improve overall efficiency
  - b. Improve productivity
  - c. Improve morale of the employees
  - d. All of the above

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## 14.5 OD PRINCIPLES AND PRACTICE

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The field of OD is based on principles which act as a guide to the OD consultant and the organisation. Thus, these principles guides the behaviour of consultant –client relationship in order to bring organisational effectiveness. The OD consultants use interventions to bring change in the organisation. While using these interventions the OD consultant has to remain fair and ethical in his work so that he can do justice to his work. Thus, there are some guiding principles which makes the work of OD consultant easier if he adopts these principles. These principles are:

1. Confidential- The OD consultant should keep up the trust of the employees and shall not reveal such confidential conversation with the employers/client. The employees trust the OD consultant and then only they are ready to share the real problems. Thus, it's the duty of the OD consultant to keep the integrity and use this information for the betterment of the organisation.

2. **Win-Win Relationship-** OD should attempt to create a win-win situation for the organisation. Since the task is difficult, the organisation should provide complete support to the OD consultant so that he is able to carry out his duties effectively.
3. **Self-awareness-** OD intends to improve inter personal relations between the management and the employees. When the inter-personal relations improve, the self-awareness among the employees is also increased and thus they are able to work in teams.
4. **Empowerment-** OD aims at providing autonomy to the employees so that they can take decisions and have freedom to work in a way that encourages creativity and innovation. In this way the purpose of overall development of the organisation is achieved.

Thus, following the above mentioned principles OD can be practiced in an ethical way. However, it depends upon the work ethics of OD consultant how he deals with the client. Also, the client should be honest enough to reveal the facts of the organisation and support the OD practitioner in the best possible way. The goal of OD practice is to solve the long term and short term problems of the organisation. Hence, if the principles are followed in achieving the desired goals it leads to employee satisfaction and building goodwill in the market. OD consultant will like to always work with such firms in future. The reputation of the organisation is built and it is easier to hire the services of good OD practitioners.

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## 14.6 STAGES OF OD AND ACTION RESEARCH MODEL

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The process of OD undergoes several steps and stages. The stages reflect the sequence in which OD is practiced in the organisation in the most ethical way. The importance of stages increases when the outside consultant is hired to solve the problems. The stages of OD are:

1. **Entry-** This is the first stage in the process of organisational development. The client organisation searches for the OD practitioner who is qualified and skilled enough to deal with the problems of the client organisation. Thus, the practitioner is hired on the basis of terms and conditions pre-decided among both the parties-client and consultant. In this stage the contract is signed between both the parties describing the working hours, working style and other support required by the consultant. If the client agrees to the requirements of the consultant, a contract is signed and the consultant enters the organisation. Needless to state that client refers to the organisation which hires the consultant for solving the problems and consultant is the OD practitioner who is qualified in his field and suitable to undertake the task of consultant.

2. **Preparation-** This is the second stage of OD process. In this stage the OD consultant meets the employees of the organisation and conducts meeting to know the readiness of the organisation to embrace change.
3. **Diagnosis-** This is the third stage in the OD process. Once, the OD consultant gets to know about various problems existing in the organisation the next step is to find out the real cause of that problem. And this is called as a diagnostic phase so that the consultant would be able to give appropriate solution to that problem. The diagnosis phase consists of various meetings and interactions with the employees with whom the problem is associated. Several meetings are held with the top management also to know their expectations from the consultant and to know the manner in which they want to resolve the issues.
4. **Action Plan-** The action plan is the stage when the OD consultant diagnoses the real issue and is confirmed about the existing problem in the organisation. After knowing the problem the consultant sits with the client to discuss the possible solutions and action plan which must be executed within the organisation. Once the client agrees on the proposed solution by the O Consultant, the action plan to solve the problem is decided.
5. **Implementation-** In this stage the action plan prepared in the earlier stage is implemented. The OD consultant ensures that all the requisites are available when the implementation of the plan takes place. He also ensures that the units which are going to be affected with the new action plan are co-operating to embrace the solution for the betterment of the organisation. In OD, implementation is also called as intervention. There are various intervention strategies through which the OD consultant deals with the existing problem.
6. **Evaluation-** After implementation, it is the time to evaluate whether the action taken was effective/ successful or not. The feedback from the employees is recorded and shared with the client. The success of the action plan indicates the effective solution provided by the OD consultant however if the plan do not succeed the OD consultant suggests other option after consulting with the client.
7. **Adoption-** Once the interventions are successful and yielding results, the same are adopted by the organisation for long term. This phase is the transition phase for the organisation. The client adopts the new techniques and methods of work and asks the employees to adopt the same.
8. **Separation-** Since the contract of OD consultant and the client is time bound, therefore after the task is done the consultant withdraws himself from the organisation. Actually the OD consultant works according to the contract signed. And when the contract is over the consultant is free to leave the organisation.

### The Action Research Model

According to French and Bell “The Action research is the process of systematically collecting research data about an ongoing system relating to some objective, goal, need of that system, feeding these data back into the system, taking actions by altering selected variables and evaluating the results”. The model can be best understood in the following steps:

1. **Problem Identification-** This is the first step of action research model. In this step the executive of the organisation feels that there is a problem in the organisation which needs to be resolved. The problems of the organisations are such that the executives are unable to understand and concerned to find solution of problems.
2. **Consultation with OD Practitioner-** Once the executives are sure that problem exists in the organisation they hire the OD consultant/practitioner. The terms and conditions of OD consultant are fixed and a contract is signed between the client and the consultant. Here client is the organisation which will implement OD practices and consultant is the OD practitioner who will help the organisation in Organisational Development.
3. **Data Gathering and Preliminary Analysis-**Once the consultant and client discusses the problems, the next step is gathering the data and collecting the information from the employees. The data is gathered to diagnose the existing problem in the organisation. The data gathered is used for preliminary diagnosis and once the consultant becomes sure about the problem he conducts the final diagnosis.
4. **Feedback to Client-** After the preliminary analysis the consultant gives feedback about the gravity of the problem and discusses his action plan to implement and intervene in the system. Once the client understands the issue and agrees on implementation and intervention, the consultant proceeds for the joint diagnosis.
5. **Joint Diagnosis-**In this step the employees and top management supports the consultant in collecting the data so that diagnosis can be done. The employees become ready to share the pertinent information with the consultant. The consultant with the help of data gathered is able to diagnose the causes of the problem.
6. **Joint Action Planning-** When the problem is identified and causes of the problems are diagnosed, the next step is to resolve the problem The solution is nothing but the joint action planning. The action to be taken is jointly decided by the client and the consultant.
7. **Action-** The action taken is called intervention. There are various intervention strategies in OD like individual intervention, group intervention, human process intervention, techno-structural intervention. Each intervention has specific purpose to serve and is used according to the nature of the existing problem.
8. **Data Gathering after action-** Once the intervention has been done it is the time to collect feedback on the effectiveness of interventions.

Thus, action research model is still considered as an important method of diagnosing a problem and bringing change in the organisation.

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## 14.7 APPROACHES OF OD TOWARDS INDUSTRIAL RELATION SYSTEM

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As discussed earlier industrial relation is defined as the relation between employer, employees and the government. The government intervenes through statutory body and courts meant for the purpose of such disputes which are not resolved within the organisation. In such cases the employer or employee is free to file a case in the court and seek justice. Thus, government has crucial role to play.

OD is based on the four approaches of industrial relations- unitary, systems, radical and pluralist approach.

1. **The Unitary Approach-** This approach is based on the theme of unity and considers organisation as integrated work unit established to achieve common goal. In this approach employers and employees are dependent on each other and work together to attain these common goals. The concept of co-existence exists between the employers and employees and both work towards attainment of organisation's mission.
2. **The Systems Approach-** This approach was given by John Dunlop and he believed that an organisation is made up of several sub systems which are joined together to form a system. Thus, a systems approach can be thought of as a several sub components which are combined together in such a way that it results into a complete organisation. In this approach employers and employees work as essential elements which are essential to operate a system.
3. **The Radical Approach-** This approach is also called as Marxian approach which believes that difference in the economic power between two competing groups' results into conflict and class struggle. The competing groups are employers which represent capital and employees which represent labour.
4. **The Pluralist Approach-** This approach of industrial relations assumes that conflict is inherent in the society and that with the help of institutional arrangements these can be resolved. This approach believes that a problem can be solved with the best possible ways available and views of both the parties is important to maintain peace and harmony in the organisation.

Thus, by using these approaches OD can be practiced in the organisation ensuring industrial peace and harmony in the system.



### ***Check Your Progress-B***

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#### **Q1. Multiple Choice Questions-**

- i. The organizational diagnosis means:-
  - a. To identify strengths, weaknesses problem areas
  - b. To find out discrepancies, between vision and desired future and current situations
  - c. Both 'A' and 'B'
  - d. None of the above
  
- ii. During the course of the Organizational Development projects, the internal OD specialists should:-
  - a. Become increasingly professionalized and be responsible for their own development
  - b. Advice the consultant
  - c. Both 'A' and 'B'
  - d. None of the above
  
- iii. OD was founded on the belief that using behavioral science methods to increase collaborative problem solving would increase:-
  - a. Organizational effectiveness
  - b. Organizational turnover
  - c. Organizational reputation
  - d. All of the above
  
- iv. The primary advantage of Organizational Development is:-
  - a. It tries to deal with change in a whole organization
  - b. It is easy to implement
  - c. Both 'A' and 'B'
  - d. None of the above
  
- v. Some of the major benefit(s) of the OD interventions is (are):-
  - a. Improved job satisfaction
  - b. Improved productivity
  - c. Improved team work
  - d. All of the above

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## 14.8 SUMMARY

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OD acts as a catalyst between Management and workers. Since bringing change in an organization is not an immediate process therefore, OD consultants can bring changes gradually thereby restoring the environment of peace and harmony.



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## 14.9 GLOSSARY

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**Organizational Development-** Organizational development is a system-wide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness."

**Industrial Relations-** The complex interrelations among managers, workers and agencies of government.



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## 14.10 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –A

- i. A      ii. D      iii. A      iv. D

### Check Your Progress –B

- i. C      ii. D      iii. A      iv. C      v. D



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## 14.12 SUGGESTED READINGS

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## 14.13 TERMINAL QUESTIONS

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- Q1. What do you understand by Organizational development for Industrial relations?
- Q2. Discuss the concept and definition of OD.
- Q3. What are the various approaches for OD?
- Q4. Critically evaluate the characteristics of OD-IR system

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## **UNIT 15 ORGANISING FOR HRD RESURGENCE EFFECTIVENESS**

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### **15.1 Introduction**

### **15.2 Objectives**

### **15.3. Meaning of Organizing**

### **15.4 Organizational Effectiveness and Organizational Structure**

### **15.5 Elements of Organizing**

### **15.6 Types of Organizational Structure**

### **15.7 Contemporary organizational structure**

### **15.8 Factors affecting organizational structure and HRD Effectiveness**

### **15.9 Summary**

### **15.10 Glossary**

### **15.11 Answer to Check Your Progress**

### **15.12 Reference/ Bibliography**

### **15.13 Suggested Readings**

### **15.14 Terminal Questions**

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## **15.1 INTRODUCTION**

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In this unit, you will study about organising and its importance in HRD. The chapter also explores about the various organizational structure adopted by organizations.

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## **15.2 OBJECTIVES**

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After reading this unit you will be able to:

- Understand the meaning of organising, organizational structure and organizational effectiveness.
- Explain the elements of organising.
- Understand factors affecting organizational structure.
- Understanding advantages of organising

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## **15.3 MEANING OF ORGANIZING**

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Business environment and economic conditions all across the globe are in state of continuous transition. This transition demands a revisiting of business and management philosophies and practices. Organizations whether large, medium or small size are now focusing strongly on the achievement of overall efficiency and effectiveness by means of talent management, team management, learning and development, adaptiveness and process reengineering for creating, enabling and promoting an environment that facilitate and motivate people at work .

High performing organizations must have a sound, effective and efficient organizing which ensures the smooth transfer and transition of task and action from one end to another. Organizing can be defined as a collection of raw materials, machines , finance and work force at a common place to achieve organizational goals.

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## **15.4 ORGANISATIONAL EFFECTIVENESS AND ORGANIZATIONAL STRUCTURE**

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The primary objective of any organization is to achieve the optimal effectiveness. It is the extent to which any firm regardless of size and shape attain its super-ordinate goals with the tools and resources available at their disposal. Organizational effectiveness refers to the degree to which goals are attained with efficiency.

It is an undeniable fact that shape and structure of the organization impact all the components of business and organization including effectiveness. A structure defines and reflects how jobs, tasks and processes are formally and rationally divided, grouped, delegated and coordinated. Several definitions of organisational structure have been given by researchers. It is defined as a formal hierarchical system defining the task and accountability relationship among superior and subordinate. The organisational structure acts as a guide to follow the rules and also it motivates the employees to progress in the career path. Because organisation structure is a depiction of authority relationships it acts as a guiding tool between the superiors and subordinates. The organisation structure also provides the company a visual representation about its vision and goals. It also signifies the way a company intends to move forward. These structures are depicted with a diagrammatic representation or pyramid shape chart which starts with the top management at the top and lower level/workers at the base of the pyramid. The employees in the organisations grow as per the pre-defined structures in the organisation.



### Check Your Progress-A

#### Q1. Define organising?

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#### Q2. How can organizations be effective?

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## 15.5 ELEMENTS OF ORGANIZING

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There are six key elements that are required to address before designing the organizational structure. The first element is work specialization which is described as the degree to which the process and activities in the enterprise are sub-divided into jobs. The essence of this element is that a job must be sub-divided into small pieces and must not be done by only one individual. Rather it must be done the number of peoples who specialized in them. Hence, a most efficient utilization of workforce can be made. Work specialization enhances the productivity and efficiency as it increases and encourages the creation and application of new knowledge and skills. The second element is departmentalization which groups the relevant jobs of same nature on the basis of specialization. The most popular way of departmentation is by functions performed depending upon type and objectives of firm. The major advantage of this grouping is obtaining efficiencies by bringing like-specialist together. It seeks to achieve economies of scales. Departmentalization could also be done on the basis of product and geography. The product based grouping provides increased accountability for product performance. Geography based grouping is valuable when organization's clients and customers are distributed in large areas and have similar needs. Similarly, process based and customer based departmentalization could also be done. Large enterprises typically inculcate all of the above grouping strategies.

The third element is chain of command. It is an unbroken line of authority that stretches from top of the organization to the lowest echelon. It establishes the reporting relationships among superiors and subordinates. It is inclusive of authority which refers to the rights embedded in a position to give orders and ensuring obedience and unity of command which sets the authorities in linear form. The fourth key element is span of control. It determines, in larger scales, the number of levels and people one authority can have and manage. With larger and

wider span, the organizations are proven to be more effective. In its simplest understanding, it is the number of subordinate that one manager can handle and direct efficiently. The fifth key element in centralization and decentralization. Centralization depicts the degree to which decision making is concentrated in one hand i.e. hierarchical authority in organization. It strictly follows the principle of unity of command residing at top level. On the other hand, decentralization facilitates the quacking action towards problem solving. The final key element is formalization which refers to the extent to which jobs within the organization are standardized. It fairly eliminates the possibility of employees being engaged in alternative and non-productive activities.

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## **15.6 TYPES OF ORGANIZATIONAL STRUCTURE**

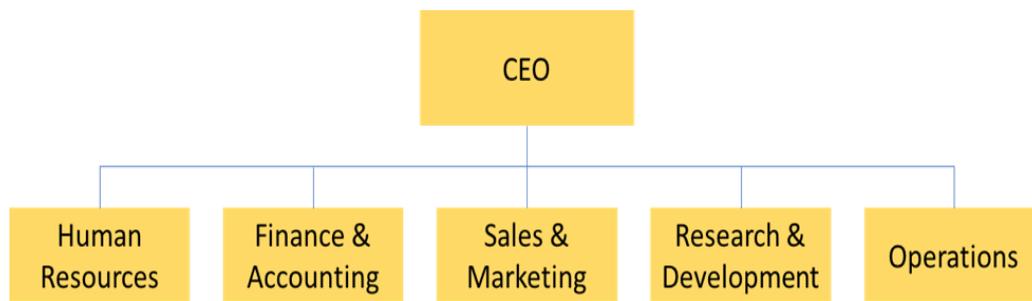
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Organizational structure refers to the authority and responsibility relationship in an organization. The organization structure of an organization determines the flow of authority and the hierarchical relationships. With the help of organization structure the organizations divide their responsibilities. There are four types of organizational structure which are popular in organizations. These are divisional structure, functional structure, matrix structure and horizontal structure. The type of structure adopted by the organization depends upon the size of the organization, type of operation sit is involved in and feasibility. Usually large organizations adopt more than one type of organizational structure for effective functioning. The organizations may change their structure as per the demand and need prevailing at that point of time. Having an effective organizational structure is key element in the overall success of the organization.

The types of organizational structure found in organizations are detailed below:

### **1. FUNCTIONAL STRUCTURE**

This structure is followed by all the organizations and is quite common. Functional structure may be described as division of organization on the basis of functions. Eg marketing function, human resource function, production function and finance function. Thus, the activities pertaining to each functional group is undertaken accordingly and to the nature where it belongs to. Thus activities like marketing research, customers' demands, and market shares are few of the activities which are undertaken by the marketing department. Similarly activities like staffing, compensating the employees, welfare facilities at the work place are few examples of the activities undertaken by human resource department. This type of structure is well suited for small scale operations. The advantage of having such system is that it offers high level of skill utilization in terms of specific specialization in different fields. The employees remain motivated as they can see clear career path for growth and personal development. Moreover, this type of structure helps in minimizing the cost of operation. Functional structure also has its disadvantages . Firstly this type of structure suffers from lack of co-ordination among the different departments. Also there is poor communication between the different functional units due to which there is delay in decision making. Sometimes these units think of themselves and forget to consider the overall growth of the company.



**Figure.15.1: Example of Functional Structure**

Source: David J. Thompson, PhD, and Lumen Learning, CC by Attribution

## DIVISIONAL STRUCTURE

Divisional structure is usually adopted by the large organizations. When the organization has several small units spread over geographically, this type of structure is used. Such structure can be based on geographical, product or market dimensions and customized as per the need of the organization. There are few advantages of this structure. In a competitive scenario this set up is best as the managers incharge of each division can immediately respond to the changing dynamics of the competition and market. Divisional organisation structure can help in building the culture at the divisional level to meet the local demands. Fixing of accountability is easier in this type of structure.

Decision making is faster in this structure. Disadvantages of this structure are that it is not a very cost-effective system and overall cost of managing each division adds the over-head expenses.

## MATRIX STRUCTURE

Matrix structure is a combination of functional and divisional structure. This structure is used by large companies specially whose operations are spread beyond the boundaries of their country. These structures were first developed in the aerospace industry in U.S. due to the complexity of the projects. In this structure the individuals report to more than one superior/leader. Matrix structure do not follow a chain of command. Basically the skills of employees are utilized by different units as per their needs and there is no set structural position for such employees. Due to their expertise they are called by the units and are always moving from one project to another. The employees work in teams and can change the teams as per the need. This structure allows different departments to collaborate and communicate on a particular project. The advantage of this structure is that issues are quickly and easily resolved. The biggest disadvantage of this structure is unnecessary conflict between the managers and team member who is supposed to report both the managers as per the

requirement. Hence, proper communication and co-ordination is very essential for smooth functioning. The cost of operating matrix structure is high and often result into an extra cost to the organization due to hiring of skilled and expert personnel.

### **HORIZONTALLY-LINKED STRUCTURES**

This structure is found in IT sectors. People are grouped and they work under different functional areas like planning, maintaining and executing. This structure helps in quickly responding to the dynamics of the market and technological development. This structure do not have hierarchical level sand it allows people to work as team. The advantage of this system is that everyone has a chance to show his creativity and with combined efforts are able to complete a task in a given time. Thus, horizontal structures are adopted when the employees have to work in groups.

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## **15.7 CONTEMPORARY ORGANIZATIONAL STRUCTURE**

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In last two and half decade, organizations and the managers continuously strives to explore and develop new organizing design to enhance the productivity and efficiency to meet the challenges of contemporary business scenario. Some of them are as follows:

### **TEAM STRUCTURE**

In present days, small sized teams are dominating almost every organization. They have now become the core of business activities. A horizontal structure emerges when management use self-managed teams as coordination device. The basic attribute of this structure is that it overcome the department limitations and facilitates decision-making in distributed manner. It comprises of the people having generalist or specialist skills.

### **NETWORK STRUCTURE**

It is a modern structure which includes linkage of multiple different organizations to enhance and optimize their business interactions in order to achieve their common objectives. It may be inter-organizational or intra-organizational and requires great coordination, synergy and high degree of mutual collaboration.

### **FISHNET ORGANIZATIONS**

It is a flexible organizational design of modern time which can form and reform varied patterns of interconnections. It can be arranged quickly in any given situation while keeping its inherent capabilities and strength, this structure is flexible, highly adoptable and best suitable for downsized firm. It allows structure to be woven digitally and modified as per need and system becomes more cooperative rather than competitive.

## VIRTUAL ORGANIZATIONS

This is a network of companies permanent or temporary in nature which come together to tackle and exploit the current market conditions with a purview to reduce operative cost of business. These firms achieve optimal flexibility as the core idea of this structure is outsourcing of skill, production and distribution. There is no such restriction on the shape and size of the company in this structure. This structure is highly spreading and best suitable for the knowledge driven economies.

## BOUNDARYLESS ORGANIZATIONS

This structure depicts the absence of any vertical and horizontal boundaries within the firm and break down of external barricades between firm and its stakeholders. It strives to remove the lengthy chain of command and strongly focuses on span of control. It removes departmentalization with empowered teams (groups who actively participated in organizational decision making with ownership) which results in flat structure where status and designations are diluted.



### *Check Your Progress-B*

**Q1. Differentiate between traditional and contemporary structures with suitable examples.**

.....

.....

.....

**Q2. What are the elements in organizing? Explain.**

.....

.....

.....

**Q3. Multiple Choice Questions-**

- i. Organizational design is based on decisions about \_\_\_\_\_
- work specialization and departmentalization
  - chain of command and span of control
  - centralization and decentralization
  - all of the above.

- ii. On what basis are jobs grouped in order to accomplish organizational goals?
- departmentalization
  - centralization
  - formalization
  - coordination
- iii. Sales responsibilities divided into the Southwest, Midwest, southern, northern, and western regions would be an example of what type of departmentalization?
- product
  - geographic
  - process
  - outcome
- iv. What kind of departmentalization would be in place in a government organization where different public service responsibilities are divided into activities for employers, children, and the disabled?
- product
  - geographic
  - outcome
  - customer
- v. Assigning designers, production workers, and salespeople to a common work group to develop a new product is known as a \_\_\_\_\_ team.
- differentiated
  - product
  - cross-functional
  - weak
- vi. In describing the degree to which tasks in an organization are divided into separate jobs, managers use the term \_\_\_\_\_.
- work specialization
  - departmentalization
  - chain of command
  - span of control

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## 15.8 FACTORS AFFECTING ORGANIZATIONAL STRUCTURE AND HRD EFFECTIVENESS

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The organizational structure of any enterprise gets affected by numerous factors residing inside or outside. These factors are categorized into following two categories:

**INTERNAL FACTORS:** There are many situational factors within the organizations which severely affect the organizing and decision making. The strategy, intent and goal of a firm is always primary. It is evident that structure follows the strategy. The relative emphasis of firm on flexibility, technological advancement & edge or efficiency also plays a vital role on organizing choice and design. The small scale firm demands informal structure while mid-scale and large scale firm demands more formalization resulting in bureaucratic design. Finally the pattern of workplace behavior along with socio-cultural facet and characteristics of people at work, their demography, intelligence level, education and experience also determine the selection of organizing configurations.

**EXTERNAL FACTORS:** External situational factors greatly affect the structure and design decisions. External forces like customer, suppliers distribution channel, polity, technology must be taken into considerations before making choice of design. Firms now a days are more like open system hence are affected by their respective business environment significantly. The general business environment of the firm encompassing demographic variables, geopolitical factors, techno-legal framework and economic conditions also decide the organizing choice. Task environment which includes competition, clientele, end-users, suppliers and volatility of market also determine the structuring. There is a constant need of flexibility and acute predictability by the firm to meet the volatility of business environment.

As far as effectiveness of HRD system is concerned, it largely depends upon the accountability relationships among employees. To evolve a strong HRD system it is important that the employees work as team and make use of their skills in the organisational growth by and large. For evolving a strong team it is important to see that the structures are created in such a way that do not hamper the functioning of the overall organisation. Thus, HRD effectiveness depends upon the type of structure the employees are forced to work. To have strong HRD system it is obvious that the top management adopts such structure which do not inhibit the functioning of the enterprise. Top management has also to be supportive in giving importance to the HRD department and only then it will succeed in its mission.

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## 15.9 SUMMARY

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Organizing is the second most important function of management. It is the process of collecting all the resources and aligning them in such a way that leads to the fulfillment of

organizational objectives. To proceed systematically it is essential to have organizational structure which depicts the flow of authority and hierarchy in the organization. There are four major types of organization structure-functional structure, divisional structure, matrix structure and horizontal structure.




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## 15.10 GLOSSARY

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**Organizational effectiveness-** It is the degree to which operative and operational goals are attained while keeping a check on the cost incurred in attaining these goals.

**Organizational Structure-** A formal system of task and reporting relationships that controls, co-ordinates and motivates employees so that they work together to achieve Organizational goals.




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## 15.11 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –B

#### Q3.MCQs:

i.D   ii. A   iii.B   iv.D   v.C   vi.A




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### 15.13 SUGGESTED READINGS

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2. Robins, S., Organizational Behavior, 15 Ed. 2014



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### 15.14 TERMINAL QUESTIONS

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- Q1. Explain the idea of organizing and effectiveness in modern business context.
- Q2. What are the various types of organizational structures? What are their advantages and disadvantages?
- Q3. Describe the key benefits of organizing.
- Q4. Explain the key elements of organizing with suitable examples.

**Block IV**  
**Strategic Dimensions of HRD**

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## **UNIT16 PERFORMANCE MANAGEMENT AND HUMAN RESOURCE DEVELOPMENT**

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**16.1 Introduction**

**16.2 Objectives**

**16.3 Meaning and Definition**

**16.4 Features**

**16.5 Objectives**

**16.6 Need for an Effective Performance Management System**

**16.7 Significance of Performance Management**

**16.8 Components of Performance Management**

**16.9 Process of Performance Management**

**16.10 Essentials of an Effective Performance Management System**

**16.11 Competency Management Approach for Setting Superior Performance Bench Marks**

**16.12 Talent Management Practices and Corporate Strategies**

**16.13 Performance Management Appraisal**

**16.14 Methods of Performance Appraisal**

**16.15 Summary**

**16.16 Glossary**

**16.17 Answer to Check Your Progress**

**16.18 Reference/ Bibliography**

**16.19 Suggested Readings**

**16.20 Terminal & Model Questions**

**16.21 Case Lets/Cases**

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## 16.1 INTRODUCTION

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Historically the concept of performance management was confined only for the determination of wages and salaries of the employees working in the organization. Traditionally performance management was used for motivating the employees to achieve organizational goals. However such a reward driven approach to performance management is not suitable in current scenario. The focus of performance management has slowly shifted towards the promoting the learning and development of work environment. At this point of time the organizational performance became a major issue for achieving efficiency and it is also necessary for the effective utilization of human resources.

Performance Management is the process of creating a work environment or setting in which people are enabled to the best of their abilities. It is just like a compass, one which shows a person's actual direction as compared to desired direction. It helps the employees to channelize their energy and efforts in the desired directions.

Generally performance management and performance appraisal are used synonymously but in fact performance appraisal is just an essential part of performance management. Performance Appraisal is generally conducted annually or some industries may conduct half yearly or quarterly. Performance management is a continuous process of improving and learning over time. Willingness and a commitment of the employee is required both at the individual level and at team level. For the effective performance management timely feedback is required by the managers to the subordinates while keeping constant focus on ultimate goals.

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## 16.2 OBJECTIVES

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After studying this unit, the students will gain insight into the following aspects;

- Meaning of Performance Management and its key features.
- Detailed knowledge of Performance Management and its related concepts.
- Performance Management Appraisal and its process.

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## 16.3 MEANING AND DEFINITION

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Performance management is a process that provides feedback, accountability and documentation for performance outcome. It helps employees to utilize their energy in achieving organizational goals. Performance management is an ongoing continuous process of informing and clarifying the responsibilities of the job, priorities and performance expectation in order to ensure mutual understanding between the superior and subordinate. It is the philosophy which values and encourages employee development through giving continuous feedback and developing team work.

Performance management can be regarded as a systematic process by which overall performance of an organization can be improved by improving the performance of individuals within a team framework. It is a mean for developing excellent performance by communicating expectation and defining roles within a desired competency framework and establishing the attainable standards

According to Armstrong and Baron (1998) Performance Management is both a strategic and an integrated approach for delivering successful results in the organization by improving the performance and developing the capabilities of the teams and the individuals

According to Lockett (1992), performance management aims at developing individuals with the required commitment and competence for working towards the shared meaningful objectives within the organizational framework.

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## 16.4 FEATURES

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- a) Developing clear job descriptions and employee performance plans which includes the Key Results Areas (KRAs) and Performance Indicators (PIs)
- b) Selection of the right kind of employees through the appropriate selection process
- c) Negotiating requirements and performance standards for measuring the outcome and overall productivity against the predefined yardsticks
- d) Communicating feedback and continuous guiding during the period of delivery of performance
- e) Assessing the training needs and programs after comparing actual performance with the desired performance and implementing appropriate development programs for the required improvement
- f) Discussion of quarterly performance development and checking of the employee performance on the basis of performance plans
- g) Designing suitable and appropriate compensation and reward mechanism for giving recognition to the employees for their superior performance
- h) Providing promotional and career development support and guidance to the employees
- i) Conduct exit interviews to those employees who leave the organization for knowing the reasons for their early exit from the job.

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## 16.5 OBJECTIVES

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Performance management intends to create a high performance culture for both individuals and the teams so that they jointly take the responsibility for improving the business processes on continuous basis, and also at the same time raises the competency by upgrading their own skills. The main objective of the performance management system is to

fully utilize the talent of the employee for the benefit of the organization as well as the employee.

The objectives of the performance management are given below:-

- a) To develop the employee in achieving superior performance
- b) To help the employee in identification of appropriate skill and knowledge required for the performance of the job
- c) Raising the level of performance of the employees by motivating, empowering and rewarding in effective manner
- d) Increasing the two way communication between the superior and the subordinates
- e) Clarifying expectation about the roles and responsibilities and also communicating the employees functional and the organizational goals
- f) Identifying the obstacles to effective performance and resolving those barriers
- g) Provide a basis for administrative decisions, such as promotions, succession and strategic planning and pay for performance
- h) Promoting personal growth and advancement in the careers of the employees

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## **16.6 NEED FOR AN EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM**

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In the era of cut throat competition and globalization, the organization has to adopt the strategic HR practices for gaining a competitive edge over the competitors. A well designed performance management system can play a vital role in shaping the activities of the employees in an organization for realizing the ultimate corporate mission and visions.

Management of the performance of the employees is one of the toughest challenge as the success of the organization completely depends upon the employee's commitment, competence and clarity of the performance

- a) A well planned reward system and feedback mechanism for motivating the employees and development
- b) The need for the introduction of a robust system of performance management was felt during the period when the traditional performance appraisal mechanism was lacking objectivity
- c) Performance Management is a strategic tool and it is holistic in nature .It is pervasive in every activity of the organization which is concerned with the management of the individuals, teams and overall organizational performance
- d) It is very important for establishing a culture for the excellent performance by the individual as well teams by continuously improving in terms of skill sets and business processes
- e) Performance management helps in building and improving the quality relationship amongst the members of the organization

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## 16.7 SIGNIFICANCE OF PERFORMANCE MANAGEMENT

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The effective implementation of the performance is beneficial to the organization, managers and employees in several ways:

### 16.7.1 BENEFITS TO THE ORGANIZATION

- a) Enhancement of organizational performance
- b) Reduce employee turnover and increase employee retention and loyalty
- c) Facilitate effective communication and overcoming the obstacles to communication
- d) Cost benefits
- e) Clear accountability

### 16.7.2 BENEFITS TO THE MANAGERS

- a) Saving of time
- b) Enhancing of efficiency
- c) Smoothness in performance
- d) Reduction of conflicts

### 16.7.3 BENEFITS TO THE EMPLOYEE

- a) Clarification of the role and expectation of the employee
- b) Opportunities for growth and learning
- c) Clarification of the job responsibilities
- d) Contributes to the improved performance
- e) Contribution in career development opportunities
- f) Enhancement of job satisfaction and commitment

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## 16.8 COMPONENTS OF PERFORMANCE MANAGEMENT

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Any effective performance management system includes the following:

- **Performance Planning:** Performance planning is jointly done by the employee and his supervisor in the beginning of a performance session. Here the employee and his supervisor mutually decide the targets and key performance area
- **Performance Appraisal and Reviewing:** The appraisals are normally conducted twice in a year in the organization. The employee submits the self-filled up rating and his or her achievement in the prescribed period. After the self-appraisal, the final ratings are provided by the supervisor. The entire process of review seeks an active participation of both the employee and appraiser for analyzing the causes of deficiency in performance and how it can be removed.
- **Feedback on the performance followed by personal counseling and performance facilitation:** Feedback and counseling occupies a very important role in the performance management. The supervisor communicates the areas of improvement and also

informs where the employee stands in relation to the achievement of his targets. The employee receives an open and a very clear feedback. Along with it training needs are also identified for his or her development and improvement

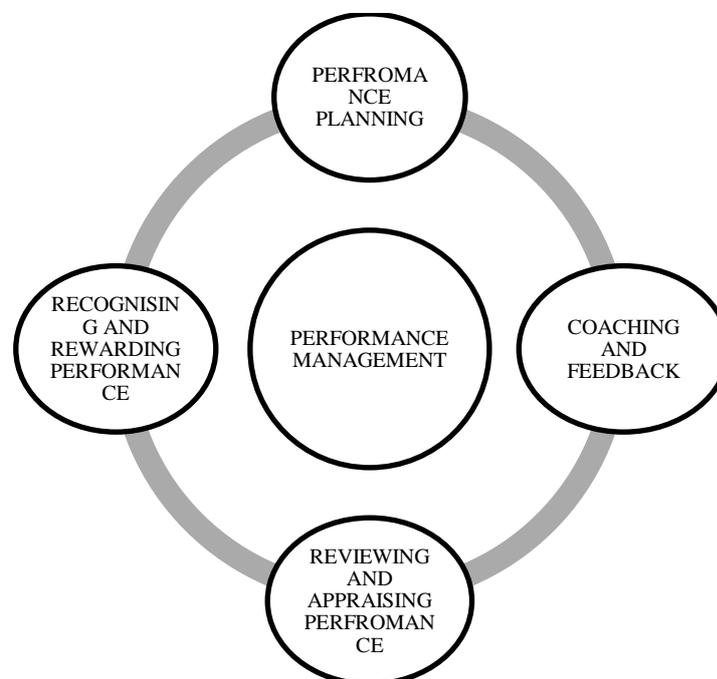
- **Rewarding good performance:** During this stage an employee is appreciated and publically recognized for good performance and is rewarded. It will increase the morale and commitment on the part of the employee
- **Performance improvement plans:** In this stage the employee and supervisors jointly set the fresh goals to be achieved by the employee. New deadlines are set for achieving those goals. The employee is clearly informed about the area in which he is expected to improve
- **Potential Appraisal:** Potential Appraisal provides significant information for succession planning and job rotation. It becomes basis for promoting the employee to higher positions.

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## 16.9 PROCESS OF PERFORMANCE MANAGEMENT

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Performance Management is concerned about building a harmonious balance between the individual and organizational objectives for achieving excellence in performance. It can be regarded as proactive system of managing employee performance by motivating the individual and the organization towards desired performance and results.



**Figure 16.1: Process of Performance Management**

Performance management process involves clarifying the jobs duties, defining performance standards and documenting, evaluating and discussing performance with each employee

### 16.9.1 STEPS IN THE PROCESS OF PERFORMANCE MANAGEMENT

- **Defining performance:** Defining performance involve three important steps:-
  - i. Goal setting:-The first job of every senior is to set challenging and specific goals with the help of employee. Goals will clarify what is expected from employee and it will channelize his energy in achieving the specific goals
  - ii. Measurement: Here the actual performance of the employee is measured
  - iii. Assessment:-Performance appraisal comes in third stage. His performance is regularly assessed
- **Facilitating Performance:-**Three steps are involved in facilitating performance
  - i. To remove barriers and problems that can inhibit performance
  - ii. Providing of sufficient resources for doing the job in the right way and timely
  - iii. The final aspect of the performance facilitation is careful selection of the right employees
- **Encouraging performance:** The reward should be really worth for the employee. It is very important to consider the following things while setting rewards:
  - i. To provide sufficient amount of reward to employee
  - ii. To provide rewards at the appropriate time
  - iii. To provide reward in fair manner



#### *Check Your Progress-A*

**Q1. What do you mean by Performance Management System?**

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**Q2. What is the need for an Effective Performance Management System?**

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**Q3. What is the Significance of Performance Management?**

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**Q4. What are the Components of Performance Management?**

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**Q5. What is the process of Performance Management?**

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## **16.10 ESSENTIALS OF AN EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM**

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Following are the essentials perquisites which are required for successful functioning of the performance system:

- a) It should have active participation of all the members concerned in an organization
- b) Top management support and commitment is required for establishing sound performance culture in the organization
- c) Clear organization vision, mission and goals and it should be communicated to all
- d) Communication is an essential condition for a performance management. The organization must have open and transparent communication system for motivating the employees participating freely and delivering superior performance
- e) Identification of major performance parameters and definition of key performance

- f) Suitable rewards and recognition system should be there in the organization
- g) Identification of training needs on the periodic assessment of the employee and appropriate training should be provided for improvement of the employees.

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## **16.11 COMPETENCY MANAGEMENT APPROACH FOR SETTING SUPERIOR PERFORMANCE BENCH MARKS**

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Competency based performance management system are strategic in nature and aims at standardizing and integrating all HR activities from the hiring of an employees and ending with the retirement. It is a very important tool for clarifying the employee's performance expectation and improving the competencies. Competency based management systems are primarily employee centric. The aim of the performance management system is to achieve desired performance. By integrating the competencies with the performance management framework, the senior provide a feedback to the employees on expected performance and actual performance. On the basis of personal competencies high performers are distinguished from the average performer. Competencies are aligned in each phase of the performance management cycle.

Integration of the competency with performance management process in any of the following two ways:-

- 1) The key competencies are jointly defined by the supervisor and the employee during the stage of setting performance planning and goals setting process. These are reviewed during the performance review period
- 2) Identification of the competencies from the competency profile of the employee role and also include the performance goals for being reviewed. The performance goals are related with the aspect of what must be achieved over the entire period of review. Competencies help the answer to this question how the employees are going to achieve the performance goals

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## **16.12 TALENT MANAGEMENT PRACTICES AND CORPORATE STRATEGIES**

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Organizations have to adopt the integrated approach for attracting the best talents and retaining the employees. Talent management facilitates the organization in achieving business success and also helps the organization in achieving the long term goals. Talent management solutions integrates the needs of the management, executives and employees into one system and unifies information across all the major HR process like performance management, recruitment and selection, learning and development success planning and career development

Talent management strategies are holistic in nature and the objective is to use these practices for improving the communication of goals and performance expectation. Different strategies for the management of talent:-

- Developing the existing talent pool
- Maximizing employee satisfaction
- Attracting talent visibility
- Advance planning for the succession
- Acting upon the performance reviewed

**Major strategic challenges are:-**

- A rise in the trends of globalization in the labour market
- An increase in virtual workplaces
- Diverse workforce
- Independent notions of educated workforce

**Tools for attracting retaining the best talent in the organization are given below:-**

- **Pay:** This is the most crucial factor in determination of attracting and retaining the talented employees. The pay should be attractive and competitive
- **Benefits :** Benefits which means social and futuristic security to the employee are also very significant in attracting and retaining the employee
- **Learning and Development:** The organization which provide learning and development environment are able to attract the ambitious and competent the employees
- **Organization Culture:** Healthy work environment build a strong relationship with the management and the employees and it will also boost the morale and spirit of the employees

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## **16.13 PERFORMANCE MANAGEMENT APPRAISAL**

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### **16.13.1 MEANING AND DEFINITION**

Performance Appraisal is the process of assessing the performance and the progress of the employee or group of employees on the job and his potential for future development

According to Edwin Flippo; Performance appraisal is the systematic, periodic and impartial rating of an employee's excellence in matters pertaining to present job and his potential for a better job

According to Dale Yodder, "Performance Appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working

organizations. It is continuous process to secure information necessary for making correct and objective decisions on employees

Performance appraisal is a broader term than merit rating even though they are being used interchangeably. In merit rating the caliber of the employee is judged for deciding the salary increments but in performance appraisal focuses on the performance and future potential of the employee. Merit rating measure what the person is (traits) and Performance Appraisal measures what the person does (performance)

### 16.13.2 FEATURES OF PERFORMANCE APPRAISAL

- ✓ It is a systematic process consisting of series of steps
- ✓ It is completely objective, rational, formal and scientific study
- ✓ The appraisal is an on-going process
- ✓ It is systematic and objective assessment of an employee's strength and weakness
- ✓ It is done to collect information necessary for reaching and an objective and correct decisions on employees

### 16.13.3 OBJECTIVES OF PERFORMANCE APPRAISAL

- A basis for taking decisions for promotions, salary increments, disciplinary actions and bonuses etc.
- To provide employee feedback on their performance
- For the identification of training needs
- For improving communication between employee and employer
- For improving performance through counseling, coaching and development
- For checking the validity of the selection techniques and also of human resource policies to meet regulatory requirement
- Document criteria used to allocate organizational awards
- For providing motivation to the employee through recognition and support

### 16.13.4 PROCESS OF PERFORMANCE APPRAISAL

Following process is used for evaluating the performance:

- ✓ **Establishing standards:** There should be some base against which the performance of the employee is measured. The employees will have to be rated against the standards set for their performance. Standards help in setting yardstick for evaluating the performance
- ✓ **Communicating standards to employees:** The employee should know what is expected from them. When they are communicated the standards, they will try to achieve the standards but if they are not clear what is expected from, the employees will work on the basis of guess work
- ✓ **Measuring actual performance:** The actual performance of the employees is measures through personal observation, statistical reports, oral reports, written reports etc.

✓ **Comparing actual with the standards:** The actual performance is compared with the standards to find out where the employee stands. The employee is evaluated and judged by his potential for growth and advancement. Deviation in actual performance and set standards are noted

✓ **Discussing reports with the employee:** The assessment reports are periodically discussed with the employee. The employees are communicated about their strength and weakness for improving their performance

✓ **Taking corrective actions:** Evaluation will be effective when remedial action is taken on the basis of reports. The corrective action can be taken in the form of advice, counseling, warning etc. and other action may be in the form of additional training.

### 16.13.5 SIGNIFICANCE OF PERFORMANCE APPRAISAL

The importance of performance appraisal is given below:-

- It provides the inputs to take decisions for increase in salary, promotions and other benefits
- It guides the employees, manager and HR specialist to take appropriate actions to improve their performance
- It also determines the need for appropriate training program for enhancing the performance of the employees
- It communicates the strength or weaknesses in the personnel departments staffing procedures
- It also facilitates human resource planning, career planning and succession planning
- It provides an incentive to the employees to better their performance
- When achievements are recognized and rewarded on the basis of objective performance measures, there is improvement in work environment

### 16.13.6 LIMITATIONS OF PERFORMANCE APPRAISAL

Annual performance review leaves the employees bitter, dejected, depressed and in despair for the month. The limitations of the performance appraisal are given below:

- **Halo error:** The halo error or the effect is a tendency to evaluate a person on the basis of one trait of characteristics. Here the employee is judged on the strength of specific trait not on the basis of overall performance.
- **Central tendency:** This error arises when the evaluator is not certain about the performance of the employee. The rater will like to play safe in evaluating the persons will rate them as average. Neither he will rate them poor performer nor he will rate them outstanding
- **Leniency or strictness:** Some evaluator may be lenient and will give high rating to everyone. On the other hand strict evaluator will give low ratings to all persons. The tendency of giving high rating is known as positive leniency error and the tendency of

giving low rating is called negative leniency errors. The raters should be trained and know how to do the evaluation in appropriate manner

- **Similarity error:** This error arise from the mental make-up of an evaluator. The evaluator uses his own trait as a basis for assessing the employee. If the evaluator is aggressive then he will try to find out this trait in subordinate. Those who have this will be rated high and those who do not have it will be rated low.
- **Miscellaneous Biases:** Bias may exist on the ground of sex, race, religion, position etc. The persons on the higher positions may be given higher ratings. A rater may also give high rating to his groups. A rater may have preference for person belonging to his own city, religion, race etc.

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## 16.14 METHODS OF PERFORMANCE APPRAISAL

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### Traditional Methods of Performance Appraisal

- Confidential Report
- Essay Method
- Straight Ranking Method
- Paired comparison Method
- Graphic Rating scale method
- Checklist Methods
- Critical Incident Methods
- Group Appraisal Method
- Field Review Methods

### Modern Methods of Performance Appraisal

- Assessment Centre Method
- Human resource Accounting Methods
- Behaviorally Anchored Methods
- Management By Objectives
- 360 Degree Appraisal

#### 16.14.1 TRADITIONAL METHODS OF PERFORMANCE APPRAISAL

- **Confidential Report:** In this method a report is prepared by the immediate boss confidentially. It is a method which is used in government organizations. It is quite subjective methods because it is entirely based on impression rather than data. Here no attention is paid to development of the employee. It is descriptive method and used for promotions and transfers to employees. In this method employee does not get any feedback about his performance therefore its credibility is very low.

- **Essay Method or Free Form:** The employees are being evaluated by the immediate superior. The evaluator writes a short essay on the basis of overall impressions and provides a detailed description of the employee. It is used for promotion and increment. The evaluator is expected to be honest, factual and objective in his approach. It suffers from the danger of evaluator being biased as there are no specific dimensions given related to the job performance
- **Straight Ranking Methods:** It is the oldest and simplest method of performance appraisal. All workers are judged on the same factors and they are rated on the overall basis with regard to their job performance instead of individual assessment of traits. In this way, the best is placed first in the rank and the poorest occupies the last rank. The difficulty of this system is that the evaluator is asked to consider a whole person. Subjectivity of the evaluator may enter into the judgment.
- **Paired Comparison Method:** it is modified version of straight ranking method. In this method each employee is compared with every other worker to know who the better worker is.  $N(N-1)/2$ , where n is the total number of persons to be compared. In this way every employee is compared with every other employee in the same job family. Positive sign is assigned to the employee who is better performer than other and negative sign is assigned to the employee who is found worse than other. It is simple and better as compared to ranking method. It becomes very difficult to handle when the number of the employee to be rated is very large and it also cannot be used for periodic employee ratings as it does make evaluation of any improvement in the employee that might have made over a period of time.
- **Forced Distribution Method:** In this method employees are rated in the form of a normal frequency distribution method. The forced distribution system is devised to force the employee being evaluated into predetermined ranges of scale. This system is based on the presumptions that employee can be divided into five points scale of outstanding, above average, average, below average and poor. In this the evaluator is asked to distribute the employees into these categories in such a way that 10% of the men are in the group 'outstanding', 20% 'above' average, 40% average, 20% below average and 10% poor. The main drawback of this method is that the evaluator does not explain why an employee is placed in a particular category
- **Graphic Rating Scales:** In this method numerical scales indicating different degree of a particular trait are being used. Five degrees are established for each factor and general definitions appear at points along the scale. The printed form is provided to the rater for evaluating the employees. There are two types of rating scales i.e. continuous and discontinuous. In continuous scale, the degree of trait is measured in number ranging from 0 to 5 where as in discrete or discontinuous scale appropriate boxes are used. Graphic Scales imposes a heavy burden of the rater as he has to evaluate performance on several factors. The main drawback of this system is that the rater may be biased.
- **Check List Method:** A check list is a list of statements that describe the characteristics and performance of the employee on the job. There can be three different kind of checklists:

- ✓ Simple check list: Here the employee is checked whether the behavior of an employee is positive or negative to each statement
- ✓ Weighted check list: Under this method, various statements are prepared in such a manner that they describe various types and level of behavior for particular job. Each statement is attached with a scale value. At the time of rating the employees, the supervisor just collects and checks all the statements. After the weights or values are attached to the individual's traits, the rating up to this level is collected on the rating sheet. Then the weights are averaged and the employee is evaluated.
- ✓ Forced Choice:-Under this method, the evaluator is forced to chose between descriptive statements of describing the person in the question. Statements are chosen of the both sides favorable as well as unfavorable. The rater is required to tick one statements each from most descriptive and least descriptive ones. The objective is to minimize the rater's personal bias. The main advantage is that it has greater objectivity than other methods but drawback is that it is very expensive and procedure involved is very length anf time consuming
- **Critical Incident Method:** This method requires the immediate boss to record all such significant incidents in each employee's behavior which indicate effective or successful action and those which indicate ineffective or poor behavior. These are recorded in specifically designed note book. These critical incidents are identified after through study of the job and discussion with the staff. Critical incident method provides an objective basis for conducting a thorough discussion of an employee's performance. The evaluation is based on actual job behavior. The drawback is that most of time the employees have neither positive nor negative incidents. If the critical events do not happen, it will difficult to rate an employee. It may also be very difficult for a supervisor to decide whether an incident is critical or not.
- **Group Appraisal:** Here the employees are rated by an appraisal group consisting of supervisors and other seniors having close contact with the employee's work head of the department and a personal expert. The group finalize the standard of performance for that job and actual performance is compare with the standards. The group also discusses the causes of the particular level of performance and offers suggestion for further improvement, if any.
- **Field Review Method:** In this method, an expert from the human resource department interviews the line supervisors to evaluate their subordinates. The expert questions the supervisors to obtain all the significant details on each employee and takes notes in his note book. The supervisor is required to give his opinion about the progress of his subordinates. The employees are usually classified into three categories as outstanding, satisfactory and unsatisfactory. The success of this method depends upon the competence of the interviewer. This method is useful for a large organization only. The main limitation is that it is time consuming and a skilled and competent interviewer is required.

### 16.14.2 MODERN METHODS OF PERFORMANCE APPRAISAL

- **Assessment Centre Method:** In this method a group of employees are drawn from different work units. They are asked to work on assignment similar to the one they would be handling when promoted. An assessment center is a central location where the managers may come together to participate in job related exercises evaluated by trained observers. It measures the interpersonal skills, communication skills, ability to plan and organize, self-confidence, resistance to stress, mental alertness etc. It also determines the training and development needs of the employees and provides data for man power planning. It is also used for selection of candidates for entry level positions. But it is very time consuming and expensive method. The ratings of this method are said to be strongly influenced by the participant's interpersonal skills. Another limitation of this method is that the candidates who receive a negative report from the assessment center may feel demoralized.

- **Human Resource Accounting:** Human resources are major asset of the organization and a lots of money is spent to maintain and develop human resources. Here the performance is judged in terms of worth of the employee i.e. the money being spent and the contributions given by the employee. The expenditure which is incurred on human resource planning, recruitment, selection, induction, training and compensation etc. is the cost for the organization. Contribution of human resource is the money value of the labour productivity or value added by human resources. Difference between cost and contribution will reflect the performance of the employee

- **Behaviourally Anchored Rating Scale ( BARS):** This method is the combination of graphic rating scales and critical incidents method. Here the critical areas of job performance and the most important behavior for getting behavior are determined in advance. The rater observes the behavior of an employee and compares these observations with BARS.

- ✓ First step is to execute this method is to identify the critical incidents. The experts identify the characteristics of both effective and ineffective job behavior to trace critical incidents

- ✓ Next step is to assign scales on five, seven points to incidents and it is done by other group of experts. This rating is done on the basis of how the behavior described in the incident represent performance on the appropriate dimensions

- ✓ These scales values assigned to each incident are analyzed and their means as well as standard deviations are calculated

- ✓ Only the scales values having standard deviation of 1.5 or less than are included in the final anchored scales, others are not.

- ✓ Final instrument is prepared by taking the incident which fulfill both the criteria's of retranslating and standard deviations.

- ✓ Well experienced and trained persons are taken in this process, that is why the method is reliable

- ✓ The method is widely accepted because it provide basis for setting developmental goals and capable of differentiating behavior, performance and results

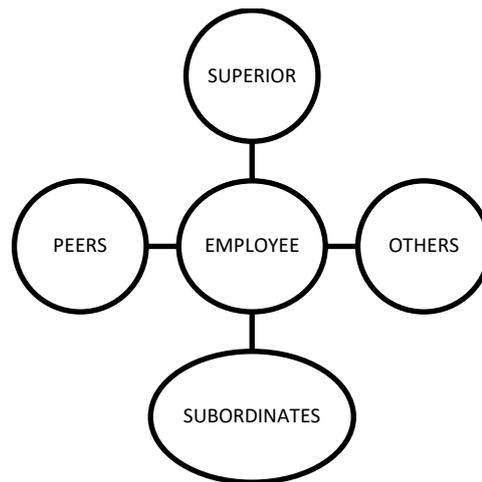
- ✓ It is very time consuming and expensive to develop BARS

- **Appraisal by Result or Management By Objective:** Peter Drucker in 1954, developed the concept of Management By objective and Self Control. Management by objective has been defined, “A process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected by him and use these measures as guides for operating the unit and assessing the contributions of each of its members. ” Essential feature of this approach is mutual establishment of the job goals. The steps of performance appraisal by management by objectives are given below:-

- ✓ The subordinates discusses his job description with his superior and they agree on the elements of the job and key performance area
- ✓ A list of reasonable objectives is prepared by subordinates
- ✓ By discussing it with superior and a final objective are finalized
- ✓ Check points are established for the evaluation
- ✓ The superior and the subordinates meet at the end of the period to discuss the results of the subordinates’ efforts to meet the targets

This approach is significantly superior to traditional approach of performance appraisal. The goal setting approach has done away with the judgmental role of the superior in the appraisal of their subordinates. It has led to greater satisfaction, greater comfort and less tension between the worker and the management. But this approach is suitable for the appraisal of executives and supervisory personnel who can understand it in better way. Operative workers can not understand this approach and moreover most of the employees do not want to take initiatives in setting their own goals

- **360 Degree Appraisal and Feedback:** This method involves evaluation of a manager by everyone above, alongside and below him. Every individual is evaluated by a minimum of fifteen colleague, at least two of them being his bosses, four of them peers, and six of them subordinates. Structured questionnaires are used to collect responses about the employees from his superiors, peers and subordinates. Several parameters relating to the performance and behavior are used in the questionnaire. Even the important customers and clients of the firm may be involved in the evaluation process. The responses and comments given by them are collected in the form of charts and graphs.



**Figure16.2: 360 Degree Appraisal and Feedback**

The 360 degree appraisal has been found to be very objective, transparent and participative because structured questionnaire are used to collect responses about a manager from his bosses, peers and subordinates. It also leads to greater self awareness of those evaluated. It also tells strengths and weakness in the working styles of the employees.



### *Check Your Progress-A*

#### **Q1. Choose the correct alternative.**

- i. The aim of Performance Management is:
  - a) Increase two way communication between superior and employees
  - b) For involving employees in decision making
  - c) For preparing job description
  - d) None of the above
  
- ii. The process of Performance Management:
  - a) Performance planning
  - b) Feedback
  - c) Reviewing and Appraising performance
  - d) Recognizing and rewarding the performance
  - e) All of the above
  
- iii. In \_\_\_\_\_ type of performance appraisal, the various sources of inputs are from the superiors, peers, customers , vendor and the employee himself:
  - a) 360 degree

- b) 180 degree
  - c) 270 degree
  - d) 120 degree
- iv. Behaviorally Anchored Rating Scale is associated with:
- a) Training and development
  - b) Performance appraisal
  - c) Career planning
  - d) Workers participation in management

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## 16.15 SUMMARY

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You have learned the meaning, objective, need and significance and process of Performance Management. The performance management is the process of creating a work environment or setting in which people are enabled to the best of their abilities. Performance Management is a continuous process of improving and learning over time. For the effective performance management require timely feedback by the managers to subordinates while constantly focusing on the ultimate goals. The aim of the performance management is to create high performance culture for both the individuals and the teams.

Components of the Performance Management:-

- ✓ Performance Planning
- ✓ Performance Appraisal and Reviewing
- ✓ Feedback on the performance
- ✓ Rewarding the performance
- ✓ Performance improvement plans
- ✓ Potential Appraisal

You have also learned the Competency based performance system which aims at standardizing and integrating all HR activities from the hiring of an employees and ending with the retirement. Organizations have to adopt the integrated approach for attracting the best talents and retaining the employees. Talent management facilitates the organizations in achieving business success and also helps the organization in achieving the long term goals. Talent management solutions integrates the needs of the management, executives and employees into one system and unifies information across all the major HR processes like performance management, recruitment and selection, learning and development success planning and career development

You have also learned the meaning, need, objective and traditional and modern methods of Performance appraisal. Performance Appraisal is the process of assessing the performance and the progress of the employee or group of employees on the job and his potential for

future development. Various methods like traditional and modern methods are used to evaluate the performance.



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## 16.16 GLOSSARY

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**Competency:** Competencies are the particular quality that a company's recruiter wants employees to possess.

**Documentation:** Documentation consists of documents which provide proof or evidence of something or are a record of something.

**Employee Feedback Performance:** Employee Feedback Performance is the employee's reaction to feedback from their manager- the exchange of information involves both performance expected and actual performance.

**Key Result Area:** Key Result Area refers to general areas of outputs or outcomes for which the department's role is responsible.

**Job Description:** Job description is an internal document that clearly states the essential job requirements, job duties, job responsibilities and skills required to perform a specific job.

**Strategies:** Strategies are the plans to achieve the organization's objectives.



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## 16.17 ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress –B

- i. (a)
- ii. (e)
- iii. (a)
- iv. (b)



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## 16.19 SUGGESTED READINGS

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## 16.20 TERMINAL QUESTIONS

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- Q1. Explain the concept of Performance Management?
- Q2. Explain the process of Performance Management?
- Q3. Explain the meaning and process of Performance Appraisals?
- Q4. Discuss Traditional Methods of Performance Appraisals?

## Q5. Explain Modern Methods of Performance Appraisals?

**16.21 CASE LETS/CASES**

ABC Ltd is a financial service company based in Maharashtra having 20 branches in different parts of the country. Their staffs include 380 operative employees and 70 executives. The company used to have performance appraisal at the end of each financial year. The organization used graphic scale method for the purpose of evaluating the performance. A committee of two executive was made to measure the performance. The qualities are considered are initiatives, responsibilities, leadership potentials, cooperative attitude, dependability and community service. After the evaluation of the performance, the ratings were discussed with concerned employees by their immediate boss. On the basis of rating promotions/increments/withholding of increments and promotions were taken.

On the basis of ratings two employees were denied annual increments due to lower rating. They made representation to the chief executive of the company and expressed their dissatisfaction with the appraisal system. And demanded community service should not be part of their job and it should not influence their rating. The employees seem to organize a union and demanded annual increments automatic without any methods of performance appraisal. The chief executive also felt that for maintaining healthy relationship, performance appraisals should be discontinued.

**Questions:**

1. Briefly formulate the problem
2. If you were the chief Executive, how would you handle the situation?
3. How you will modify the performance appraisal system for bringing the productive results?

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## **UNIT 17 QUALITY MANAGEMENT PRACTICES IN RELATION TO HRD**

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**17.1 Introduction**

**17.2 Objectives**

**17.3 Meaning and definition of Quality and Total Quality Management**

**17.4 Evolution of TQM**

**17.5 Elements of TQM**

**17.6 Objectives of TQM**

**17.7 Core Values of TQM**

**17.8 Component of TQM**

**17.9 Need of TQM**

**17.10 Fundamental of TQM**

**17.11 Implementation of Total Quality Management**

**17.12 Significance of TQM**

**17.13 Perquisites of Success of TQM**

**17.14 Role of HR manager in TQM**

**17.15 TQM and Human Resource Development**

**17.16 TQM practices in Indian Companies**

**17.17 Techniques of TQM**

**17.18 Quality Circles (QCs) and Total Quality Management (TQM)**

**17.19 Summary**

**17.20 Glossary**

**17.21 Reference/ Bibliography**

**17.22 Suggested Readings**

**17.23 Terminal & Model Questions**

**17.24 Case Study**

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## 17.1 INTRODUCTION

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Quality is a dynamic concept and so is its management. Total quality management has been accepted throughout the world these days. Quality is a key to achieve excellence in management which includes functions such as finance, human resource, materials and scheduling. Conventional management system focuses on these independently. Modern management focused on achieving higher effectiveness. Hence Strategies such as Total Quality management was introduced. Total quality management is a management philosophy where every individual in an organization is motivated towards a common vision.

Few years ago, Indian Industry was criticized for not paying sufficient attention to the quality of goods and services. But now things have come full circle and quality improvement is top priorities of the organization. Companies like Philips, Reliance, Tata, Wipro, Maruti etc. highlight the importance given to TQM in their advertisement. The quality has become the most important word in the corporate world. The term 'quality' refers to sense of appreciation that something is better than something else. It means doing things right the first time, rather than making and correcting mistakes.

The role of human beings at work has changed as business and technology have changed over the years. Prior to the industrial revolution, skilled people had a major stake in the quality of the products produced and they were motivated by pride in their work as well as the need for survival. Humans are the main factor for achieving quality in the work place by which it will lead to produce quality products to satisfy customers. That is why there are assumptions made by many management and quality gurus about the human in achieving quality such as:

- People are part of process
- No organization can survive without good people, people who are improving.
- Businesses are beginning to learn that to satisfy customers, they must first satisfy employees.
- The human resource is only one that competitors cannot imitate and the only one that can synergize.
- Total Quality Management and Human Resource Development both are dynamic concept. TQM aims at continuous improvement in the quality of the product which calls for the improvement in the quality of work of employees through training and development. The enhancement of the skills of the employee will not only improve quality but also help in reducing the cost of production. TQM can succeed only if it has the support of total quality people. The essence of TQM is the creation of the organizational system that fosters the cooperation between management and workers and facilitates learning to implement total quality. This in turn will lead to continuous improvement of processes, products and services.

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## 17.2 OBJECTIVES

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After studying this unit, the students will gain insight into the following aspects:

- Meaning of Performance Management and its key features
- Detailed knowledge of Performance Management and its related concepts
- Performance Management Appraisal and its process

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## 17.3 MEANING AND DEFINITION OF QUALITY & TOTAL QUALITY MANAGEMENT

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Quality is the degree to which a commodity meets the requirement of the customer at the start of its life.

According to Joseph M. Juran, "Quality is fitness for the use of purpose."

According to Armand and V. Feigenbaum, "Total composite of product or service characteristics of marketing, engineering, manufacturing and maintenance through which the product and service in use will meet the expectation by the customer."

TQM approach focuses on trying to meet customer expectation or delighting the customer. All quality improvement initiatives must begin with the understanding of the customer's perceptions and needs, TQM is an organization strategy with techniques that deliver quality products and services to customer and achieve total customer satisfaction.

According to Sashkin and Kiser, "Total Quality Management may be defined as creating an organizational culture committed to the continuous improvement of skills, teamwork, processes, and product and service quality and customer satisfaction"

According to British Quality Association, "TQM is a corporate business management which recognizes that customer needs and business goals are inseparable. It is appropriate with in both industry and commerce"

Parag Diwan, "It is an all-encompassing dynamic process in an organization to promote never ending improvement in the effectiveness and efficiency of all the elements of a business."

We could infer from all the definitions that TQM is deeply embedded virtually in every aspect of organization life and require the active participation and involvement of the all human resources in quality improvement for the delight of the customers

Total Quality Management is a continuous customer centered employee driven improvement. Total quality Management refers to meeting the requirements of customers consistently by continuous improvement in the quality of work of all employees. For achieving total quality, three things are essential

1. Meeting Customer's requirement

2. Continuous improvement through management process
3. Involvement of all the employee

### **Deming's Advice on Achieving Quality:**

According to Edward Deming, TQM is a way of creating an organization; culture committed to continuous improvement of skills, teamwork, processes, and product and service quality and customer satisfaction.

W. E Deming was originally trained as statistician and started teaching process control (a method of measuring variation and continuously improving work processes before the final inspection stage to prevent the defective production in Japan shortly after World War II. He is internationally recognized as an important contributor to Japanese's quality improvement programme. He advocated 14 principles to achieve a high level of success in improving product quality:

1. Create constancy of purpose for improving products and services.
2. Adopt the new philosophy.
3. Cease dependence on inspection to achieve quality.
4. End the practice of awarding business on price alone; instead, minimize total cost by working with a single supplier.
5. Improve constantly and forever every process for planning, production and service.
6. Institute training on the job.
7. Adopt and institute leadership.
8. Drive out fear.
9. Break down barriers between staff areas.
10. Eliminate slogans, exhortations and targets for the workforce.
11. Eliminate numerical quotas for the workforce and numerical goals for management.
12. Remove barriers that rob people of pride of workmanship, and eliminate the annual rating or merit system.
13. Institute a vigorous program of education and self-improvement for everyone.
14. Take action to accomplish the transformation

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## 17.4 EVOLUTION OF TQM

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The evolution of TQM in four stages starting from 1910

- 1) Detection and rectification of defects:-In this stage the focus was identification of the detection of the defect and taking suitable actions for correcting defect.
- 2) Prevention of defect: - During 1930, the emphasis of quality management in U.S.A shifted to prevention of defectives. Prevention of defect was used to be achieved by the method of process control.
- 3) Product Design Improvement: - Process control was not able to rectify the defects which were inherent in product design and engineering. That is why Japanese organization started concentration on product improvement in 1960s and later talked of 'total quality management'. Product improvement, product design and product planning were emphasized to meet the changing requirements of the customers. All these should be achieved with the involvement of the employees.
- 4) Creativity and Innovation: - The decade 1980 paved the way for creativity and innovation in technology and management practices. Quality circle were encouraged to enlist the active support of the workers in the quality improvement. Total Quality management became the buzz word not only for Japan, but also in the other countries of the world.

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## 17.5 ELEMENTS OF TQM

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The following are the elements of TQM;

- 1) The quality is first in all business thinking and actions
- 2) The quality of the new product development should be assured
- 3) The quality should be customer oriented and not product oriented
- 4) The next step of any process should be customer
- 5) Use a continuous plan, do, check, act (PDCA) cycle in all business elements.
- 6) There should be a respect for humanity.

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## 17.6 OBJECTIVES OF TQM

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The following are the objectives of TQM;

- 1) Meeting the customer's requirement is the primary objective and the key to organizational strength and survival
- 2) The second objective is the continuous improvement of the quality
- 3) Organization wide integration of people, machine and information
- 4) Stimulating the employee in becoming increasingly competent and creative

- 5) Continuous control of the TQM using both feed forward and feedback of information and analysis of the results ,and comparison with the prevalent standards
- 6) Periodic audit of system activities
- 7) TQM aims at developing the relationship of openness and trust among the employee at all levels in the organization.

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## 17.7 CORE VALUES OF TQM

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TQM is a strategy that is formulated at the top management level and then diffused at all levels. Every in the organization from CEO to the lowest paid workers/clerks are involved in the TQM process.

Under TQM not only the “Customer is the king” but so are internal customers as coworkers or other departments. In essence, TQM becomes the dominant culture of the organization. Some core values of everyone involved in TQM are like: \_

1. Make it right for the customer at any cost
2. Customer is always right
3. Internal customers are as important as external customers
4. Respond to the customer inquiry or complaint by the end of the day
5. Answer the phone bell with in two rings
6. Not only meet customer expectation but delight customers in the process
7. Team work and cooperation are important
8. Respond to every employee’s suggestion for quality improvement
9. Always strive for continuous improvement. Never be satisfied with level of quality.

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## 17.8 COMPONENTS OF TQM

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The following are the components of TQM;

- 1) Customer Orientation:-The term ‘Customer’ means every user of a product or service and not only the end user. For example a product that passes through number of stages, every next stage is a customer for the preceding stage. TQM aims at satisfying the customer’s requirements which changes with changes in time, environment, fashions etc. Meeting the changed requirement of the customers is continuous objective of the producer
- 2) Continuous improvement:-TQM is to improve the quality of the work of all the people at the functional area of the organization. It imbibes the philosophy that there is always better way of doing things. It uses ideas of group activity. Participation of all, creativity and self-development. Japanese word for continuous improvement is Kaizen, which means improving the overall system. The product has to be continuously improved as per the changed requirements of the

customers. Consistent customer satisfaction can be attained only through continuous improvement of the processes that create the product and service

- 3) **Employee's Involvement:-**TQM requires a continuous improvement in the quality of products. This calls for improvement in the quality of work of employees through training and development. TQM should be the concern of all managers and workers in the organization if it is to serve its purpose fully. Though TQM is planned by the top management but the people at the middle level and at the lower level should be taken into confidence before launching the TQM. It is a philosophy that calls for the development of a companywide culture for quality. It requires every member of the organization to accept quality as his major area of responsibility. A positive attitude towards customer and constant enhancement of quality must be ingrained in the minds of the employees

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## **17.9 NEED OF TQM**

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The following are the need of TQM;

- 1) The need of the modern organization. The organization in the Japan realized that quality cannot ensured by inspection and tests alone. Every member and department has to play a vital role in the achievement of the quality. Quality control which was limited to only testing and inspection of the end products gave away to quality assurances. In addition to the inspection of the end products. Quality assurance also involved the inspection of the production process and equipment.
- 2) The aim is to actively involve all the employees in the pursuit of quality and encourage them for bringing the continuous improvement to satisfy the ever changing needs of the customers.
- 3) TQM is the sum total of the quality of the various aspects of the business system, namely the product design and development, production, purchase, marketing, financing etc. It also involves all the technical and administrative systems and procedures which can ensure the desired quality on regular basis.
- 4) As TQM encourages innovation, makes the organization adaptable to changes, motivates people for better quality, integrate the business.TQM provide the organization with a valuable and distinctive competitive edge.

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## **17.10 FUNDAMENTAL OF TQM**

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The important fundamental of TQM are as follows:-

1. **Focus on the customer:-**The main fundamental of TQM is its focus on customer requirement and their satisfaction. TQM philosophy emphasizes on the theme”

consumer is the king”. Every business organization should focus on delivering the product as per the customer’s requirement and should give satisfaction to the customer. To have an international footage the approach should be ‘Customer deligtment’.

2. Management by Fact: - The concept of management by fact means the decisions should be based on the facts. Facts means the information which is essential for making the decisions. The decisions should be taken by using statistical tools. TQM will be successful only when decision making is based on facts. The employees should be trained and encouraged to take the decisions on the basis of facts.
3. Focus on prevention: - The aim of TQM should be on avoiding the recurrence of the same problem. When a problem is solved then the mechanism should be so designed that it is solved forever and it does not recur again.
4. Principle of PDCA cycle: - The plan-do-check-act principle is also an essential tool for implementing TQM. This is the e principle of continuous improvement. TQM will work successfully only if the continuous efforts are made for the improvement.
5. Employee involvement: - The employee involvement is a precondition for the success of the TQM programme.TQM should be the concern of all managers and workers in the organization if it is to serve its purpose fully. Though TQM is planned by the top management but the people at the middle level and at the lower level should be taken into confidence before launching the TQM. It is a philosophy that calls for the development of a companywide culture for quality. It requires every member of the organization to accept quality as his major area of responsibility. A positive attitude towards customer and constant enhancement of quality must be ingrained in the minds of the employees

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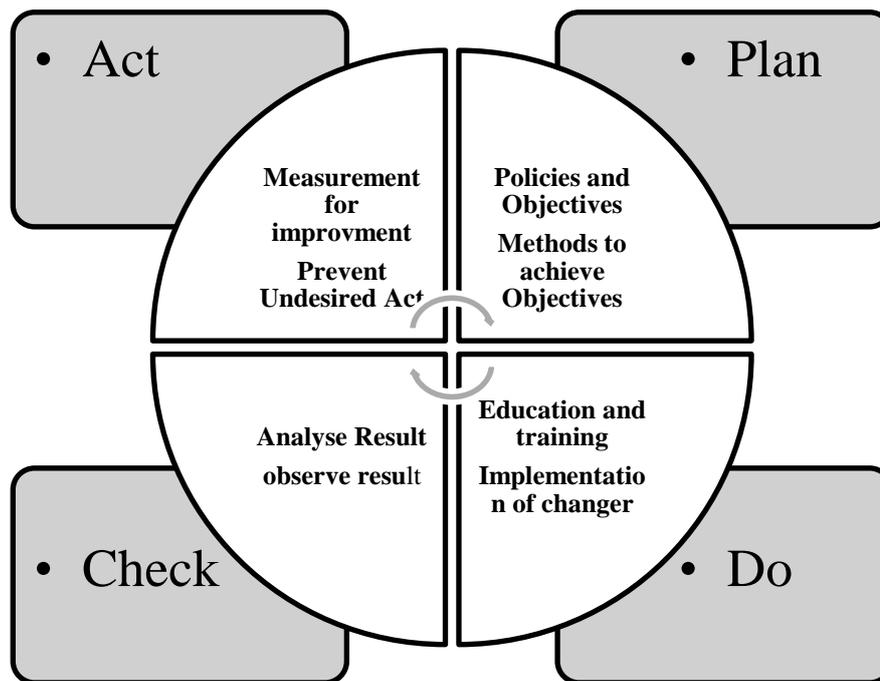
## 17.11 IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT

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W. E. Deming, an internationally renowned quality expert known as father of the of TQM has suggested Plan-Do-Check-Act Cycle fort the implementation of TQM in any organization. The steps in the PDCA cycle as shown in Fig are as follows:-

- 1) Lay down policies and objectives of TQM. Determine what the customer is supposed to receive and what are they actually receiving.
- 2) List out the method to achieve the TQM objectives.
- 3) Educate and Train workers and managers to understand and meet the requirements of TQM
- 4) Start the operation of TQM by introducing new product, machines, procedures,etc.

- 5) Observe results of operations and find out the causes of non-conformance to quality standards
- 6) Analyse results and determine the consequences of nonconformance and place the report before the top management.
- 7) Prevent undesired effects in Quality improvement. Establish personal relationship with the employees so that they can voice their concern and ideas.
- 8) Suggest measures for improvement of the methods and design in future.



**Figure17.1: Steps in TQM Process**

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## 17.12 SIGNIFICANCE OF TQM

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The following benefits can be derived from a sound TQM programme:-

- 1) Total Quality Management brings quality consciousness in the organization which encourages production of quality products.
- 2) TQM helps in providing greater satisfaction to the customer by meeting their requirements. If the customers are satisfied, the sale and revenue will increase.
- 3) It builds a good public image of the organization by helping it to provide goods and services of the higher quality to the society.
- 4) There is better utilization of materials, machines, capital, human resources etc.
- 5) Wastages are reduced to the minimum. As a result, cost of production is reduced and profitability is increased.

- 6) The employees are committed to higher quality and feel highly motivated. Their morale is also high because of the good image of the firm.



**Check Your Progress-A**

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**Q1**What do you mean by Quality?

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**Q2.** What do you mean by Total Quality Management?

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**Q3.** What are the Elements of TQM?

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**Q4.** What are the Objectives of TQM?

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**17. 13 PREREQUISITES FOR THE SUCCESS OF TQM**

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For the successful implementation of TQM, the following guidelines should be followed:-

1. The objectives and policies of the firm must show its commitment to quality as a philosophy of customer satisfaction.
2. The TQM philosophy must be effectively communicated to each and every employee and department so that it is clearly understood throughout the organization.
3. The TQM programme should be properly designed to meet the requirements of the customers.
4. The participants of all the employees should be encouraged so that innovation ideas are put forward by the employees. TQM should not be imposed upon the employees. The Management should make TQM an employee's programme through proper educating workers.
5. Workers and manager should be given the necessary training for the effective implementation of TQM.
6. TQM must involve product design and improvement, adoption of new technology, systems and procedures.
7. TQM should be considered as a continuous programme as the requirements of the customers keep on changing. TQM should also try to integrate the operations of various departments.

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## **17.14 ROLE OF HR MANAGERS IN TQM**

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HR manager can facilitate the introduction and implementation of TQM in various ways:-

- 1) Identify the uses of TQM techniques
- 2) Develop communication systems for introducing TQM and improve quality awareness
- 3) Select and train people carefully so that they possess requisite skills for implementing TQM
- 4) Match appraisals to TQM philosophy
- 5) Institute reward schemes for scaling new heights through TQM
- 6) Carry out employee attitude and organizational climate survey that highlight weak points, point attention toward correction efforts.
- 7) Conduct quality and ethics audits
- 8) Benchmark TQM applications with the best players in competing units and find ways to get ahead continually,
- 9) Treat TQM as a systematic and continuous way of doing the business
- 10) Top management must adopt the principles and language of the quality, follow the process, set examples and guide others

In the total Quality HRM approach, all employees participate in the quality improvement process wholeheartedly. There is always a conscious effort to find employee's requirements to design benefits and rewards. Importance is given to continuous improvement through "small ideas" advanced by people working at various levels. Co-operation among employees is encouraged. Total Quality HRM is all about caring for people sincerely. To get people to care about quality, you have to care about time.

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## 17.15 TQM AND HUMAN RESOURCE DEVELOPMENT

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Total Quality Management is a dynamic concept and so is Human Resource Development. The employees skills are to be improved for the achieving the objective of TQM of continuous improvement in quality. The skill and efficiency of the employees are to be enhanced through training and development. The employee will actively participate in TQM if they are aware about the need for improvement in the quality of work. Quality Circle is an outstanding example in this regard. It is because of the employee's participation in the improvement of the quality that TQM is referred to as people's process.

The success of TQM is possible only if the support of the people is available. The essence of the TQM is the creation of organization system that fosters cooperation between management and workers. It would lead to continuous improvement.

### Management for TQM

HRD seeks to build and maintain an environment for bringing excellence in quality for achieving the company's quality and operational performance objectives. HRD ensures that employees are able to perform multiple roles, improvise when necessary and direct themselves towards continuous improvement of both product quality and customer service

### Traditional Structure



## Q People Structure



**Figure17.2: Structures**

**Designing High Performance Work Teams:** - For achieving it, the organizations need to continuously focus on modifying work design, job enlargement, job enrichment and job rotation which refers to organize formal and informal work units, reduced fragmentation of jobs. Individual learn many tasks and workers are given more autonomy, responsibility and authority.

**Employees Involvement:**-If the employees are involved in decision making process of the organization, it will enhance the creative potential, innovation and analytical abilities of the employees. The activities for involving employee in decision making are sharing information, providing input on work related issues, making suggestions and self-directed responsibilities.

**Suggestion Systems:**-An employee suggestion system is a management tool for the submission, evaluation and implementation of an employee ideas to save cost, increase quality or improve other elements of work such as safety.

**Empowerment:** - Giving people authority to make decisions based on what they feel is right, have control over their work, take risk and learn from mistakes.

**Training and education:** - Companies makes a lot of investment in education and training. Employees need to understand the objective of customer satisfaction and responsibility of accomplishment of the goals.

**Team Work and Co-operation:-** A team is a small number of peoples from the cross sectional departments who are together to achieve common goals. The following teams are created to achieve the objectives of the organization:-

- i. Quality circles
- ii. Problem solving teams
- iii. Work teams
- iv. Project Teams
- v. Virtual Teams

**Compensation and Recognition:-**It refers to all aspects of pay and reward, including promotions, bonuses and recognitions either monetary or non-monetary and individual or group

**Health, Safety and Employee Support Services:** - All employees are significant stakeholders of any organization, their health, safety and well-being are important factors in the work environment. They can provide personal and career counselling, career development and employability services, recreational and cultural activities, special leave for non-work related responsibility or community services etc.

**Recruitment:** Hiring the right people whose skills and attitudes will support and enhance the organization's objectives:-

- i. Ability to remain calm under stressful conditions
- ii. Optimism, initiative and people orientation
- iii. The ability to listen well
- iv. An orientation towards analysis and prevention
- v. The ability to solve problems

**Performance Appraisal:** Performance Appraisals are the most effective when the performance of the employees is checked on the basis of the objectives of the work teams. A 360 degree feedback approach has to be used for the employees so that performance management is effective.

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## 17.16 TQM PRACTICES IN INDIAN COMPANIES

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### PHILIPS INDIA LTD

1. Implemented TQM in 1995
2. Moving toward International quality system Standards ISO 9000
3. Total employee involvement
4. Creation of self managing mini and micro mega-teams
5. Got the European Quality Awards
6. Kaizen and suggestion scheme
7. Regular survey of employee motivation accompanied by customer survey

TATA STEEL

1. The quality movement started in the company in 1980s under the leadership of DR. J.J Irani, Then Managing Director
2. The concept of Quality circles was started at Tata Steel factory at Jamshedpur
3. Over the next two decades the quality circles grew to 7500 in number, covering 96% of the total employees
4. Tata Steel also wholeheartedly embraced two prominent school of thought in the area of quality improvement-Juran and Kaizen.
5. The company won the JRD-QV award in 2000.

***Check Your Progress-B***

**Q1. What do you understand by reengineering?**

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**Q2. What do you mean by benchmarking?**

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**Q3. Explain the elements of TQM.**

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## **17.17 TECHNIQUES OF TQM**

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Three innovative techniques of TQM are:-

- Reengineering

- Benchmarking
- Empowerment
- **Reengineering:** The term reengineering (referring to radical quantum change in an organization) comes from the historical process of taking apart an electronics product and designing a better version. The term was coined BY Michael Hammer and Champty in their book, “The fundamental rethinking and radical redesign of the business processes to achieve improvement in performance such as cost, quality and service.

To improve efficiency by streamlining current operations is not objective but total redesign of operations by analyzing jobs and asking how this work can be done most efficiently. Rather than modifying current work procedure, the reengineering process begins with a clean slate and the job from the beginning to end. Objective is to eliminate inefficiencies and increase productivity and performance. Steps of reengineering are given below:-

- ✓ First step starts with top management rethinking the basic mission of the organization and clearly deciding what business they are really in and what they want to e
- ✓ Top management will play in leading the process thus ensuring over all cooperation
- ✓ Management will create sense of urgency among all regarding the need for reengineering ensuring commitment
- ✓ Initially finding out what customer wants or needs and then creating organization structure to facilitate the customer
- ✓ Top management to involve top down and bottom up initiative. Participation and involvement of the employees at all levels is important.

### **HR’s Role in Reengineering Processes**

The success of Reengineering is possible when the company tunes in HR practices in line with its radical transformed business process. HR can contribute to its process by its effect on:

- a) Building commitment
- b) Team building
- c) Changing the nature of work
- d) Empowering the jobs

HR can play a great role improving commitment of employees by hiring competent people, offering the right incentives and installing effective two way communication practices. HR can

hire people who work in process oriented teams sharing their skills and experience freely. It can also offer additional training to employees so as to improve their ‘ team related ‘ skills and make them capable of handling cross functional and enriched task in efficient ways.

- **Bench Marking:** - Bench marking is the process of comparing work with service methods with against the best practices for the purpose of identifying the changes that will result in higher quality output. It is finding best practices measuring the gap between those and one’s own and bridging it.

Bench marking process involves looking both inside and outside the organization for ways of improving the operations. Some organization use benchmarking from the very start of the project so that all planning and organizing efforts include latest development in the industry. This starts with the formation of team that defines the project goals and carefully identifies areas in which bench marking will be used.

**HR Benchmarking:-** HR benchmarking is a process that is used in order to compare similar features across organization in order to identify the milestones. It is sort of compare and contrast system of determining success and best practices. When HR professional have data for comparison purpose, they are better able to set goals and objectives for their own company. Best practices in benchmarking revolve around the identifying a particular strategy. It is critical that professional determine what it is they wish to learn prior to undergoing for any data collection. Like it is not advisable to compare the salaries of big companies who are in business for decades with those of small startup. While the purpose in benchmarking is to identify best practices with in HR, it is also necessary that best practices within the field of benchmarking be utilized in order to gain the most success.

- **Empowerment:** Empowerment occurs when the employees are sufficiently trained, provided with relevant information and the best possible tools, fully involved in a decision and fairly rewarded for result. Empowerment is the authority to make decisions within one’s area of operations without having to get approval from anyone else. While this process is similar to that of delegation of authority, there are two features that make empowerment unique.

- a) Personnel are encouraged to use their initiatives
- b) The employees are giving not just authority but resources as well as that they are able to make decisions and see that it is implemented

For example, if customer calls and says that mobile phone supplied by your organization is defective. An empowered sales employee would be able to replace with the new one. The employee would be able to authorize payments for these services as employee feels it is necessary to ensure customer services.

Basic conditions necessary for empowerment to become part of the organization culture:-

1. Participation encourages people to improve daily work processes and relationships. Empowerment helps to take decisions.
  2. Innovation: Empowerment encourages innovation because employees have the authority to try out new ideas and make decisions.
  3. Access to information:- When employees are given access to information, their willingness to cooperate and to use their empowerment is enhanced
  4. Accountability is not intended to punish but they will give their best efforts and behave responsibly
- **Kaizen:** Dynamic organization make continuous improvement a way of life. The Japanese word for continuous improvement is Kaizen which means improving the overall system by constantly improving the little detail. Kaizen practitioners view quality as an endless journey, not a final destination. They are always experimenting, measuring, adjusting and improving. There are four general avenues for continuous improvement for any organization. These include:-
    - a) Improved and more consistent products and service quality
    - b) Faster cycle times ( in cycles ranging from product development to order processing to payroll processing
    - c) Greater flexibility
    - d) Lower costs and less wastage

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## 17.18 QUALITY CIRCLES (QCS) AND TOTAL QUALITY MANAGEMENT (TQM)

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Quality circle is a form of group problem solving, participation at workplace and goal setting with primary focus on maintaining and enhancing product or service quality. Japanese have not evolved the concept of QC but practiced with amazing results. QCs have contributed to removal of defects, improving morale, motivation and job satisfaction of members.

Quality circle consists of small teams of workers meeting regularly to pool their ideas and suggestions for improving quality, productivity and efficiency in their own work areas. They may meet once a week on company time to solve a particular problem related to production or to monitor some changes already introduced. Quality circles may be linked together by a coordinator /facilitator or report upwards to a more senior managerial set of QCs. QC are found to be more effective when the company has put some resources into training and coaching the participants in problem solving techniques etc.

TQM is, therefore a much broader concept than QCs and covers not only product service and process quality improvement, but also costs over all productivity and the development and involvement of all employees at all levels.

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## 17.19 SUMMARY

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TQM is a strategy that is formulated at the top management level and then diffused at all levels, everyone in the organization from CEO to lowest paid workers/clerks are involved in the TQM process. TQM is seen to emphasize problem prevention, more than problem solving. IT is customer driven both internal and external that is, a customer is any one including work colleagues who receive our individual work output.

The organization in the Japan realized that quality cannot ensured by inspection and tests alone. Every member and department has to play a vital role in the achievement of the quality. Quality control which was limited to only testing and inspection of the end products gave away to quality assurances. In addition to the inspection of the end products. Quality assurance also involved the inspection of the production process and equipment.

The aim is to actively involve all the employees in the pursuit of quality and encourage them for bringing the continuous improvement to satisfy the ever changing needs of the customers.

The components of TQM are: Customer Focus, Continuous improvement and Total employee involvement.

Total Quality Management is a dynamic concept and so is Human Resource Development. The employees skills are to be improved for the achieving the objective of TQM of continuous improvement in quality. The skill and efficiency of the employees are to be enhanced through training and development. The employee will actively participate in TQM if they are aware about the need for improvement in the quality of work. Quality Circle is an outstanding example in this regard. It is because of the employee's participation in the improvement of the quality that TQM is referred to as people's process.

The success of TQM is possible only if the support of the people is available. The essence of the TQM is the creation of organization system that fosters cooperation between management and workers. It would lead to continuous improvement

Three innovative techniques of TQM are: -Reengineering, Benchmarking and Empowerment. The objective of Reengineering is to eliminate in efficiencies and increase productivity and performance. Benchmarking is the process of comparing work and service methods against the best practices for the purpose of identifying changes that will result in higher quality output.



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## 17.20 GLOSSARY

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**Core values:** - are the fundamental beliefs of a person or organization. These guiding principles dictate behavior and can help understand the difference between right and wrong

**Culture:-** is a word for the ‘ way of life’ of groups of people, meaning the way they do things, the behaviors, beliefs, values and symbols that they accept without thinking about them and that they are passed from one generation to the next.

**Delighting the customer:** customer delight is surprising a customer by exceeding his or her expectation.

**Diffusion:** is the process by which a new idea or new product is accepted by the market, The Rate of diffusion is the speed with which the new ideas spreads from one consumer to the next

**Job Enlargement:-**Job Enlargement means taking charge of more duties and responsibilities which are not mentioned in the job description.

**Job Enrichment:** Job Enrichment is a management concept that involves redesigning jobs so that they are more challenging to the employees and have less repetitive work.

**Job Rotation:** Job rotation is a technique used by some employers to rotate their employees’ assigned jobs throughout their employment.

**Recruitment:** Refers to the overall process of attracting, shortlisting’s electing and appointing suitable candidates for the jobs with an organization.

**Performance Appraisals:** - A performance appraisal is regular review of an employee’s job performance and over all contribution to a company.

**Suggestion Box:** - A suggestion box for obtaining additional comments, suggestions, problems, advice, questions and requests from the employees/customers.



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## 17.22 SUGGESTED READINGS

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## 17.23 TERMINAL QUESTIONS

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Q1. TQM is the need of Modern industrial organization. Examine this statement.

Q2. How do TQM lead to human resource development?

Q3. Discuss the various techniques of TQM.



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## 17.24 CASE LETS/CASES

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The concept of benchmarking was developed and used extensively by Xerox. When Xerox was attempting to regain market share that had been lost to Japanese copier manufacturers in

the late 1970 s and early 1980s. Xerox undertook a study of competitors' products in terms of quality. Features and costs in comparison with Xerox's products. The company was shocked to learn that its units manufacturing costs were equal to the best Japanese maker's selling price in the United States, the number of suppliers used by Xerox was nine times the number used by the competitors, assembly line rejects were ten times higher than, product lead time were two times longer and defects per machines were seven times higher. After second benchmarking study confirmed the results of the first one, the company assembled its top 25 managers to begin planning their human resource system and total quality management efforts that eventually brought about the turn around.

#### Questions for discussion

1. Why was the Xerox Company losing the market share to Japan Copier manufacturer?
2. What do you mean by benchmarking? How the Xerox Company take the benefits of benchmarking?

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# **UNIT 18 STRATEGIC HUMAN RESOURCE DEVELOPMENT**

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**18.1 Introduction**

**18.2 Objectives**

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## 18.1 INTRODUCTION

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The human resources of the organization can provide the organization competitive edge over its competitors in the age of intense competition. The human resources of the organization must be developed in terms current and long term orientation of the organization. When the executives, managers and employees are equipped with regard to current strategic orientation is known as traditional human resource development but when they are developed according to emergent strategic orientation is known as Strategic Human Resource Development.

The development of the human resource strategy of the company should be in congruent with the corporate strategy which is designed after anticipating the opportunities and threats of the external environment and taking appropriate decision in view of the internal strength and weaknesses.

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## 18.2 OBJECTIVES

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After studying this unit, the students will gain insight into the following topics:

- Meaning and definition of Strategic Human Resource Management.
- Meaning and definition of Strategic Human Resource Development.
- Human resource Development Strategy.
- Strategic Role of Human Resource Manager
- Process of Learning and Development

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## 18.3 MEANING OF STRATEGY

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The original literary meaning of strategy,” The art and science of directing military wars. The word ‘strategy is derived from the Greek word ‘ strategos’ meaning a generalship

Strategy is the direction and scope of the organization over long run

The term “strategy” has been adapted from the war and is used in business to reflect the broad overall objectives and policies of an organization. Strategy refers to firm’s overall plan for dealing with changes taking place in the environment.

According to Glueck and Jauch,” A strategy is a unified, comprehensive and integrated plan designed to ensure that the basic objective of the enterprises are achieved.

According to Bourgeois,” Strategy is the means by which management in an organization establish purpose and pursues that purpose through the co-alignment of organizational resources with environment opportunities and constrains.

Strategy is a tactical course of action which is designed to achieve long term objectives. It is an art and science of planning and marshalling of resources for their most efficient and effective use in a changing environment.

Alfred d chandler,” strategy is the basic long term goals and objectives of an enterprise and adoption of the courses of action and allocation of resources necessary for carrying out of these goals.

According to Johnson,” While reviewing the strategic decisions in management, the following are to be taken into account:-

- a) The long term direction of the organization
- b) The scope of activities of the organization
- c) The matching of organizational activities to the environment and its resource capability
- d) The major resource implication for the organization
- e) The high degree of uncertainty involved in such decisions
- f) The demand of an integrated approach in managing the organization and the change implied

Features of strategy:-

- 1) As the strategy deals with different areas of the operations of the management so the strategic decisions are taken by the top management
- 2) Strategy helps in dealing with the uncertainties in the environment
- 3) It deals with the long term development. As strategic decisions are based on the future scenario
- 4) Strategic decision are based on what are the expected changes which are taking place in the external environment

Strategies at Different Level: - Strategies at different level are given below:-

1. Corporate Level Strategy: - In case of multidivisional company’s corporate strategy relate to organization wide policies. Major policy decisions involve acquisition, diversification and redesigning of structure. Business and functional level strategies are designed to implement the corporate strategy.
2. Business Level Strategy:-At the strategic business unit level strategy is related to taking decisions of the product market issues and policies for coordinating the functional units of a division or plant. The aim of the strategy is to achieve the objective of Strategic Business Unit. An SBU ( strategic business unit is an operating division of a firm which serves as distinct product/market segment/well diversified set of customers or a geographic area. The scope of business strategy is limited as compared to corporate strategy
3. Functional Level Strategy: Functional level strategy is defined as the day to day strategy which is formulated for implementation of corporate and business level strategy. These strategies are framed as per the guidelines issued by top level management. Functional level strategy is concerned

with operational level decision making for various functional areas such as production, marketing, human resource management, finance, research and development etc. Functional strategy guides what is to be done, how it is to be done and when it is to be done.

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## **18.4 MEANING AND NATURE OF STRATEGIC MANAGEMENT**

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Strategic management involves those actions and decisions resulting in formulation and implementation of strategies designed to achieve the goals and objectives of the organization.

According to Ansoff, " Strategic management is the formulation and implementation of plans and carrying of activities relating to the matters which are of vital, pervasive or continuing importance to the total organization.

According to A. sharpin," Strategic management is the formulation and implementation of plans and carrying out of activities relating to the matters which are of vital pervasive or continuing importance to the total organization.

Strategic management is defined as the dynamic process of formulation, implementation, evaluation and control of strategies to realize the organization's strategic intent.

As per chanon," strategic management is defined as that set of decisions and actions that result in formulating of strategy and its implementation to achieve the objectives of the corporation.

Features of Strategic Management:-

1. It is concerned with the basic mission and goals of the organization
2. It formulates the basic policies and programmes of the organization. It provides a framework for operational planning and routine decision making.
3. It deals with future which is uncertain
4. It designs the corporate strategy and oversees its implementation.

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## **18.5 PROCESS OF STRATEGIC MANAGEMENT**

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- i. **Determination of Mission or purpose:-**The strategic planning process starts with the formulation of business mission and vision of the organization. The mission is the reason for its existence. It represents a long term visions of what the organization seeks to do and reason why it exist. A clear statement of organization's mission would help to identify the function it performs for the society and also its basic character and philosophy.

- ii. Environment scanning: An appraisal of the external environment will enable the organization to identify present and future opportunities, threats, constraints. External environment comprise of economic, social, technological, market, government policies and other forces which affect the functioning. By environmental analysis the management can develop an Environmental Threat and Opportunity Profile (ETOP) which will assess the impact of various environmental forces on the firm.
- iii. Organization Analysis: - Organizational Analysis involve a review of organization strength and weakness .The organization's financial position. Productive capacity. Marketing effectiveness and extent of research and development, the quality of the staff is reviewed to know the strength or weakness.
- iv. Developing Strategic Alternatives:-next step is to consideration of the strategic alternatives and the choice of the most appropriate strategy. Like company may be faced with two alternatives:
  - a. Should the company continue in the same business or get out of it fully or partially?
  - b. If it should continue in the same business, should it grow by expanding the existing business units or by establishing new units or by acquiring other units in the industry?
- v. Evaluation of Strategic alternatives: - Each strategic alternatives has its own merits and demerits which need to be analyzed carefully. The management should examine various alternatives by applying various quantitative tools. While evaluating alternatives, it is also important to focus on a particular product or service and a strategy selected should give complete edge over the competitor.
- vi. Choice of strategy: - The management should select the strategic alternatives which is best suited to the organization's capabilities. Some other factors which influence the choice of a strategic alternative include :
  - a) Threats and opportunities in the environment
  - b) Degree of risk acceptable to the management
  - c) Timing of the decision
  - d) Expectation of the owners of business and attitude of top managers
- vii. Implementation of Strategic Plan:-After the finalization of the strategy, it must be translated into the appropriate operational and tactical plans, programmes, budgets, etc. After the implementation of the strategy, the effectiveness should be reviewed to know if it has been able to achieve the intended result.

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## 18.6 MEANING AND DEFINITION OF STRATEGIC HUMAN RESOURCE MANAGEMENT

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Human resources of an organization can provide with a competitive edge over its competitors in the fast changing environment. It requires the strategic management of human resources for the achieving of the objectives of the organization. An effective human resource strategy includes the way in which the organization plans to develop its employees and provide them with suitable opportunities and better working conditions so that their optimal contribution is ensured.

The success of an organization depends upon the human resources. This means how they are acquired, developed, motivated and retained in the organization ,play a significant role in the organization success. Strategic HRM means strategic look at the human resource functions in line with business functions of the organization.

Strategic human resource management may be defined as the linking of human resource management with strategic goals and objectives in order to improve business performance and develop organizational culture that fosters innovative and flexibility.

According to Wright and McMohan,” Strategic HRM is the pattern of planned human resource development and activities intended to enable an organization to achieve its goals.”

According to Guest,” strategic HRM is to ensure that HRM is fully integrated into strategic planning, the HRM policies coher both across policy areas and across hierarchies and that HRM policies are accepted and used by line managers as part of their every work.”

According to Truss and Gratton,” Strategic HRM is the linking of HRM with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility.”

Strategic HRM, the HR’s function is that of strategic partner in both the formulation of the company’s strategies as well as in the implementation of those activities through HR activities.

Strategic management of HRM can facilitate creation of competitive advantage for the organization over its rivals by building employee competence. An organization’s recruitment, selection, training, performance appraisal, and compensation practices can have a strong influence on employee competence as given below:-

1. Recruitment and Selection: the workforce will be more competent if a firm can successfully, identify, attract and select the most competent applicants
2. Training:-The workforce will be more competent if the employees are well trained to perform their jobs properly.
3. Performance Appraisal: The objective of the performance appraisal is to identify the weak areas of the employees which can be removed by counseling, coaching or training.

4. Compensation: The organization can increase the competency of the workforce by offering attractive pay and benefit packages as compared to the competitor. This practice enables the firm to attract and retain the most capable person

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## **18.7 MEANING AND DEFINITION OF STRATEGIC HUMAN RESOURCE DEVELOPMENT**

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According to Hall, "Strategic Human Resource Development means the identification of the needed skills and active management of the learning for the long range future in relation to explicit corporate and business strategy."

According to Walton, "Strategic human resource development involves introducing, eliminating, modifying directing and guiding process in such a way that all individuals and teams are equipped with the skills, knowledge and competences they require to undertake current and future tasks required by the organization.

According to Harrison, Strategic HRD is 'development that arises from a clear vision about people's abilities and potential and operates with in the overall strategic framework of the business. Strategic HRD takes a broad and long term view about how HRD policies and practices can support the achievement of business strategies. It is business –led and learning and development strategies that are established as part of the overall strategic HRD approach flow from business strategies and have a positive role in helping to ensure that the business attains its goals."

Rothwell and Kazanas concur and describe the value of strategic human resource development in the following manner:-

1. First it makes HRD activities proactive rather than reactive
2. Second SHRD ties learning to a comprehensive instructional planning process that supports and relates to Strategic Business Resource Plans
3. Third business known for their excellence in productivity improvement handle their human resource strategically
4. Finally HRD practioners will increasingly have to think strategically if they are to enjoy long term career success



### Check Your Progress-A

**Q1. Explain the meaning of SHRD and examine the process of learning and development in the organization.**

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**Q2. Explain the need and objective of SHRD.**

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## 18.8 FEATURES OF SHRD

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1. The alignment between the grand strategy and the strategic orientation of the company as well as the strategic human resource development: \_The HRD strategy should be aligned with strategic orientation of the company as set out in the grand strategy. The training philosophy, policy and strategy should be formulated in such manner they develop and train the employee to meet the long term orientation of the company
2. Integration of the strategic orientation of the company with strategic human resource development: - Strategic human resource development must be aligned with mission and objectives of the organization and it should also contribute to the manner in which the mission and objectives of the company are formulated and implemented.
3. The relationship between the management and development of the human resources of the company: The relationship must exist between the manner in which the resources of the company is managed to meet the current and future needs of the company.
4. The relationship between the human resource management, human resource development and strategic human resource development:-Strategic human resource development build the connection between human resource management and human resource development. The manner in which the human resources of the company is managed and developed to meet the future needs of the company are determined by training philosophy, policy and strategy. Strategic human resource development forms the central component of human resource management strategy. All the other components of the human resource management are therefore dependent on strategic

human resource development. The alignment between the human resource management and strategic human resource development should take place at both vertical and a horizontal level in the company.

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## 18.9 STRATEGIC HRD OBJECTIVES

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The main objective of strategic HRD is:

- 1) Develop resource capability of the employees in the organization as a major source of competitive advantage
- 2) It is therefore ensuring that the right quality people are available at right time for meeting the current and future needs of the organization
- 3) The specific objective is to develop intellectual capital and promote organizational, team and individual learning by creating a learning culture
- 4) Building the conducive environment in which the employees are encouraged to learn and develop
- 5) To manage the knowledge systematically
- 6) SHRD policies have to take into account individual aspirations
- 7) The importance of increasing employability outside as well as within the organization is an important policy consideration.

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## 18.10 NEED OF SHRD

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HRD policies are closely associated with that aspect of human resource management which is related with investing and developing the organization's human capital.

One of the primary objectives of the HRM is the creation of conditions whereby the hidden potential of the employees will be realized and used for achieving the organization objectives. The need of SHRD can be judged from the following factors:-

- 1) Human resource based competitive advantage is challenging task in any organization which is operating in cut throat competition and organization is also influenced by the changes in the external environment like fast pace of technological changes unstable government policies, turbulence in international conditions
- 2) Human resource can add value by either improving efficiency or enhancing firm's ability to satisfy the customer needs
- 3) The developed skilled workforce can result in higher productivity and the improvement provide value to firms over and above the costs incurred

- 4) Human resource based competitive advantage is based on the assumptions that Labour supplies are heterogeneous across firms. In addition to the heterogeneity of labour, the question of rareness also depends on the asset specificity and mobility of the workforce. Employee skills that are firm specific and cannot be transferred to other companies constituting a potential source of sustainable competitive advantage
- 5) Human resource has been readily substituted in traditional organizations, particularly context in the routine aspect of physical work. But when the employee shift from routine Labour to knowledge work, their values hinges more on cognitive processes such as problem diagnosis, trouble shooting and decision making. These aspects of human capital are not easily substitutable.

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## **18.11 HUMAN RESOURCE DEVELOPMENT STRATEGY**

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It could be explained in this manner:-

We believe that

- 1) Human resource development makes a significant contribution to the achievement of the organization's objectives successfully and that investments benefits all the stakeholders of the organization.
- 2) Human resource development plans and programmes should be integrated with and support the achievement of the business and human resource strategies
- 3) Human resource development should always be performance related designed to achieve specified improvement in corporate, functional team and individual performance and make a major contribution to bottom line
- 4) Every employee of the organization should be motivated and encouraged and provided proper opportunity to learn and to develop their skills and knowledge to the maximum of their capacity
- 5) Personal development process provide the framework for individual learning
- 6) While the organization recognize the need to invest in learning and development and take all the steps for providing appropriate learning opportunities and facilities and the prime responsibility for development rests with the individuals who will be given the guidance and support of his or her manager and as necessary, members of the HR department.

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## 18.12 DIFFERENCE BETWEEN TRADITIONAL HRD AND STRATEGIC HRD

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The main points of distinction between traditional and strategic HRD are given below:-

1. The focus of traditional HRD is on employee relationship whereas strategic HRD the focus is on the partnership with the internal and external groups
2. Traditional HRD is transactional in nature where as strategic HRD is transformational in nature in that it helps people and the organization to adopt, learn and act quickly.
3. The initiative of the employees are slow, reactive and fragmented in traditional HD but in strategic HRD these are fast, proactive and integrated
4. In traditional HRD, job design is tight division of Labour, independence and specialization but in strategic HRD, job design is organic, specialization is replaced by cross training and independence is replaced by team work encouraging autonomy at various level.
5. In strategic HRD, the belief is that organization's key assets are people as against money and materials in traditional HRD
6. In traditional HRD, the responsibility of HRD is with the staff specialists, whereas in strategic HRD is with the line managers.
7. Strategic HRD offer three outcome-increased performance, enhanced customer and employee satisfaction and increased shareholder value. In traditional HRD, the desired outcome were reduced costs, increased productivity. Workers were treated just like machines.

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## 18.13 STRATEGIC ROLE WITH IN THE ORGANIZATION

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In current scenario the organization are treating at human resources as valuable assets that can provide the organization sustained competitive advantage. If the human resource fails to deliver the organization competitive advantage, the human resource management in the organization is said to be ineffective. According to Delahaye (2005) that, "Human Resource Development has become a critical function for many organizations and the basis of their competitive advantage." Human resource development is defined as set of intentional activities by an organization to increase employee's skill, abilities or knowledge and direct these skills and abilities for the company's benefit (Marsic and Watkins 1990)

Two factors that have greater impact on the evolution of HRD towards more active role as a key determinant of the business strategy: the centrality of the information technology to business success and the sustainable competitive advantage offered by the workforce expertise.

The function of human resource department is not only management of workforce but also looking at providing a platform for increased work life balance of the employees so that can remain committed to organization goals by delivering high productivity.

The primary objective is on the growth of the employee's development and focus is on developing employee potential and growth.

Human resource Development is divided into four function: investigation, design, implementation and evaluation. The focus of these functions is to see the simultaneous impact of employee's participation in non-technical training and coaching of subsequent job performance, job involvement and job satisfaction.

Human resource development programs and interventions operate at three levels: career development, training and development and organization development. The employees are motivated to participate in these programmes. The purpose of HRD functions is to motivate and encourage employees to achieve organization goals and balance their work life.

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## 18.14 STRATEGIC ROLE OF HUMAN RESOURCE MANAGER

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Management of the organization has to cope up with the rapid changes in technology and practices in the global perspectives after carefully analyzing the real challenges faced by the professional managers.

Today's organization are faced with following environment changes:-

1. Changing technology leading to obsolescence of current skills and techniques
2. Due to globalization, the entry of multinational companies posing tough competition to the organization
3. Changing international environment insisting on free flow of goods and services throughout the world
4. Changing profile of workforce, e.g. more knowledgeable and aware, entry of more women in the workforce, need of satisfying psychological needs.
5. Changing the needs and expectation of the customer's rendering the existing processes and products obsolete.

The above trends will have great effect on the functions of the future HR professionals who will have to act as change facilitators. They will have to build up "learning organization" which will provide conducive environment for generating the capability and capacity for learning from the experiments, past experiences and the experiences of others and utilizing the workforce productively for creating competitive organization. The prominent area where the human resource manager can play strategic role is given below:-

- 1) Providing purposeful direction:-The important function of the HR manager is to ensure that the mission and vision of the organization should be internalized by each employee working in the organization. Mission of the organization states the very purpose and reason of justification. The human resource manager has to ensure that the mission of the organization

becomes the mission of each individual working in the organization. And the objectives are aligned with the mission statement of the organization.

- 2) **Building Core Competency:** - A core competence is a unique strength of an organization which may not be shared by others. Core competency may be in the form of human resource, marketing capability or technological capability. Organization of business around core competencies means leveraging the limited resources of a firm. It needs creative and dynamic leadership having faith in the organization's human resources. The business organized on the basis of core competency is going to generate competitive advantage.
- 3) **Creating competitive advantage:**-Competitive advantage can be achieved by two ways:
  - a. **Cost leadership:** by adopting it the firms aim to become the low cost leader in the industry. or
  - b. **Differentiation:** the second competitive strategy is differentiation under which the firms seek to be unique in the industry.For adopting these strategies, the organization requires a highly committed and competent workforce. The workforce will help the organization to compete on the basis of market responsiveness, product and service quality, differentiated products.
- 4) **Act as change agents:**-The HR managers have to facilitate the change process initiated in the organization in view of the changes in the external environment by acting as change agents. HR managers will have to devote more time to promote changes and removing the resistance of the employee.
- 5) **Managing workforce Diversity:** - In modern organization, management of diverse workforce is a great challenge. Workforce diversity can be observed in terms of male and female workers, young and old workers, educated and uneducated, workers, unskilled, skilled and professional employees etc. Moreover, many organizations also have people at different castes, religion and nationalities. Money will no longer be the sole motivating force for the majority of the worker. Non-financial incentives will also play an important role in motivating the workforce. The HR managers have to create appropriate policies and suitable culture for the management of workforce diversity.
- 6) **Managing the expectation of the employees:**-The employees are becoming more aware of their higher level needs and this would intensify in the future worker, the managers would be required to evolve appropriate techniques to satisfy the higher level need of the workers and thus motivate them.
- 7) **Development of work Ethics and culture:**-In future changes will have to be initiated and managed to improve organizational effectiveness. A vibrant work culture will have to develop in the organization for creating mutual

trust among people and employees will be encouraged to think creatively and generate creative ideas. The future HR managers will have to set up new work ethics for assisting the line managers in setting up and enforcing good quality norms. As changing work ethics requires increasing attention on individual, jobs will have to be redesigned to provide challenge. Flextime of working hours will be introduced to help employees in balancing their work life.

- 8) Empowerment of human resources: - Empowerment means authorizing every member of a society or organization to take control of their destiny and realizing the potential fully. It involves giving more power to those who, at present, have little control over what they do and little ability to influence the decision making. Human behavior is greatly influenced by power and power is the result of the interplay between individual consciousness and external environment. The basic objective of empowerment are that all employees should:
- a. Understand and feel good about themselves
  - b. Relate to each other with empathy and respect
  - c. Give voluntary agreement to the rules and structures that govern their lives and
  - d. Have sufficient resources of knowledge, training, authority, time, tools etc. for contributing values to their chosen role.
- 9) Total Quality Management (TQM):- Total Quality management process involving all levels in an organization to promote never ending improvement in the efficiency and effectiveness of all the elements of a business. Earlier quality was responsibility of the management and the instruction to be followed by the workers. But now Total quality management has brought a qualitative and change I both the concept and practice. The goal of the TQM is to mobilize the entire workforce in pursuits of specific company goals with the primary aim of achieving customer satisfaction with regard to quality, price, and delivery and after sale service. Total quality management is a dynamic concept as the quality standards do not remain the same forever. They are to modified or changed to meet the requirements of the customers and to make use of new technology.
- Total quality management refers to the meeting the requirements of customers consistently by continuous improvement in the quality of the work of all employees. For achieving total quality, three things are essential:-
- a) Meeting customer's requirements
  - b) Continuous improvement through management process
  - c) Involvement of all the employees

## 18.15 THE PROCESS OF LEARNING AND DEVELOPMENT

Learning and development process was defined by CIPD (2001) as follows:

The organizational process of developing people involves the integration of learning and development processes, operations and relationships. Its most powerful outcomes for the business are to do away with the enhanced organizational effectiveness and sustainability. For the individual they are to do with the enhanced personal competence, adaptability and employability. It is therefore a critical business process in for profit or not for profit organizations.

The elements of this process are:-

1. Learning: - defined by Bass and Vaughan (1966) as “relatively permanent change in behavior that occurs as a result of practices or experiences.”
2. Education- The development of the knowledge, values and understanding required in all aspects of life rather than the knowledge and skills relating to particular areas of activity.
3. Development:-The growth or realization of a person’s ability and potential through the provisions of learning and educational experiences
4. Training: - The planned and systematic modification of behavior through learning, events, programmes and instructions which enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively.

## 18.16 COMPONENT OF STRATEGIC HRD

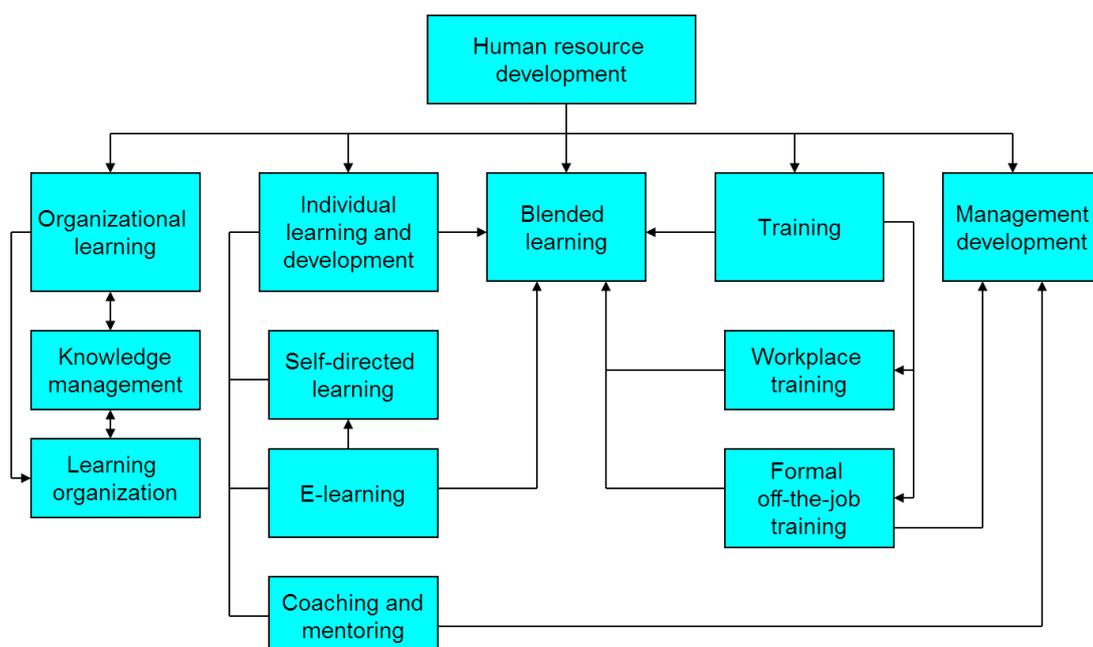


Fig 18.1 Component of SHRD

**Source of the component of SHRD :** <https://nscpoltekssby.ac.id>

### Component of SHRD

- **Organizational learning:**-Organizational learning is the process of creating, retaining and transferring knowledge within the organization. An organization improves over time as it gains experience. From this experience it is able to create knowledge. The knowledge is broad. Covering any topic that could better an organization. Knowledge is created at four different units: individual, group, organizational and inter organizational. Knowledge is an indicator of organizational learning. Organization learning happens when there is a change in the knowledge of an organization.

1. **Knowledge management:** -Knowledge management ensures that all the information data, know-how, insights, institutions, experiences are systematically captured and transferred so that they can be systematically used by the organization. Knowledge management is crucial for sustaining organizational effectiveness, success and increasing their competitiveness in the global market place. A firm's knowledge-the brains of its employee and know how, the processes and the customer's knowledge have become the source of competitive advantage.

Knowledge Management is that engine that transforms ideas into business value. It is a systematic process for creating, acquiring, synthesizing sharing and using information, insights and experiences to achieve organizational goals. Knowledge Management can be described as consisting of the following four major process:-

- a) Knowledge creation
- b) Knowledge storage and retrieval
- c) Knowledge distribution
- d) Knowledge application

Knowledge management is important:-

- I. Because of shift from a predictable world paradigm to one governed by discontinuous change
- II. Essential for creating core competencies and organization's survival
- III. Knowledge is embedded into all organization business processes
- IV. Information technology can facilitate the processes of knowledge management such as channelling, gathering or dissemination of the information.

Knowledge management makes an efforts to realign the competencies of a workforce with critical business requirement.

2. Learning organization: To be effective and to have a competitive edge, the organization must be an applied learning organization which means it would have processes which are totally aligned with organizational objectives. With the fast changes due to advanced information technology and total quality, it has become important for organizations for entry into competition in global economy. To become successful and gain competitive advantage organization must become learning organization.

To survive in tough business world, it is not important to be the best, but able to keep evolving to stay the best. This is the identity of learning organization. The philosophy of learning organization is examining, enhancing and improving every business experiences. Some of the common operational practices in learning organizations dealing with people are openness, systematic, thinking, creativity, proactive approach in problem solving ,empathy and sensitivity, risk taking growth.

- Individual learning and development:-Individual learning and development means the training and development plans of the organization used for developing the employees at individual as well as group level. Training and development is an organized activity for increasing the knowledge and skill of people for definite purpose. The employees should see a purpose in learning the information presented and should clearly understand the information presented. Developing a learning plan requires that :
  - I. Identify a learning goal ,the ability (i.e. knowledge, skill or attitude) to be developed
  - II. Identify the learning experience needed to develop the ability
  - III. Identify the support required to develop and apply that ability

Then the coach and the employee simply need to manage the plan: agree to do the plan-discuss and signs to show the commitment and check his/her progress and provide ongoing feedback and recognition to help guide and reinforce the progress.

- I. Self-directed learning: Malcolm knowlers,” Self –Directed learning as process in which individual take initiative with or without the help of others, in diagnosing their own learning needs, formulating goals, identifying human and material resources for learning, choosing and implementing appropriate learning strategic and evaluating learning outcomes. Self-directed learning process involves a continual process of self-motivation. Self-management, self-monitoring and self-modification. Self-directed learning employees to be more effective and demonstrates a greater awareness of their responsibility in making learning meaningful and they are curious and willing to try new things.
- II. E –learning: - eLearning is learning utilizing electronic technologies for learning concepts which comes outside the traditional learning. E-learn guides learn to take complete education and training through the

internet. It is an going process of technology in mobiles, computer system, laptops and in overall technological gadgets for e learning environment

III. Coaching and mentoring:-Workers and managers alike develop themselves by interacting with those they admire and by building trusting relationships with people who nurture, support and guide them. It establishes mutual understanding and its confidentiality. Mentoring involves support offered to a person by someone who is senior in competence, experience, expertise or position. Three processes are central to successful coaching and mentoring: communication, empowering and helping.

- Blended Learning: It is also called hybrid learning. Blended learning uses a mix of training strategies to deliver the best result. Any programs that combine traditional training with computer based or on line training is having the benefits of blended learning. The key advantages of blended learning are: flexibility, effectiveness, efficiency, cost effectiveness, personalization etc.
- Training: Training plays an important role in human resource development. It is very significant and useful for all categories of workers. The basic objective of training is to develop skill and efficiency. Every organization has to introduce systematic training programmes for its employees. They are responsible for the progress and stability of an organization. According to Edwin Flippo, "Training is the act of increasing the knowledge and skills of an employee for doing a particular job."

Methods of training :

1. Work place training: Also known as on the job training method. It is considered to be the most effective method of training the operative personnel. Under this method the worker is given training at the work place by his immediate supervisor. The worker learns in the actual work environment. It is based on the principle of "learning by doing. "On the job training is suitable for providing learning skills that can be learnt in a relatively short period of time. On the job training methods are relatively cheaper and less time consuming. The methods of on job training are: coaching, Understudy, position rotation etc.
  2. Off the job training: - It requires the worker to undergo training for a specific period away from the work place. Off the job training methods are concerned with both knowledge and skills in doing certain jobs. The workers are free of tension of work when they are learning. Off the job training methods are: special lecture cum discussion, case study and conference training. Etc.
- Management development:-Management development is planned, systematic and continuous process of learning and growth designed to induce behavioral changes in individuals by cultivating their mental abilities and inherent qualities. There is great demand for management development programmes in modern organization. The achievement of the objectives of an organization depends to great extent on

the quality of its managers. Development of managers takes place not only by participating in formal courses of instructions drawn by the organization but also through actual job experience in the organization. Self-development is an important concept in the whole programme of the management development. The participants must have the capacity and motivation to learn and develop. Methods of management development can be classified into two broad categories : on – the –job methods and off-the-job methods.



### *Check Your Progress-B*

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**Q1. Explain the role of human resource manager in SHRD.**

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**Q2. Explain the components of SHRD.**

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## **18.17 SUMMARY**

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The success of an organization depends upon the human resources. This means how they are acquired, developed, motivated and retained in the organization, play a significant role in the organization success. Strategic HRM means strategic look at the human resource functions in line with business functions of the organization.

Strategic human resource management may be defined as the linking of human resource management with strategic goals and objectives in order to improve business performance and develop organizational culture that fosters innovative and flexibility.

According to Wright and McMohan, "Strategic HRM is the pattern of planned human resource development and activities intended to enable an organization to achieve its goals."

According to Harrison, Strategic HRD is 'development that arises from a clear vision about people's abilities and potential and operates within the overall strategic framework of the business. Strategic HRD takes a broad and long term view about how HRD policies and practices can support the achievement of business strategies. It is business-led and learning and development strategies that are established as part of the overall strategic HRD approach flow from business strategies and have a positive role in helping to ensure that the business attains its goals.'

Rothwell and Kazanas concur and describe the value of strategic human resource development in the following manner:-

1. First it makes HRD activities proactive rather than reactive
2. Second SHRD ties learning to a comprehensive instructional planning process that supports and relates to Strategic Business Resource Plans
3. Third business known for their excellence in productivity improvement handle their human resource strategically
4. Finally HRD practitioners will increasingly have to think strategically if they are to enjoy long term career success

HRD policies are closely associated with that aspect of human resource management which is related with investing and developing the organization's human capital.

One of the primary objectives of the HRM is the creation of conditions whereby the hidden potential of the employees will be realized and used for achieving the organization objectives. The function of human resource department is not only management of workforce but also looking at providing a platform for increased work life balance of the employees so that can remain committed to organization goals by delivering high productivity.

The primary objective is on the growth of the employee's development and focus is on developing employee potential and growth.

In current scenario the organization are treating human resources as valuable assets that can provide the organization sustained competitive advantage. If the human resource fails to deliver the organization competitive advantage, the human resource management in the organization is said to be ineffective. According to Delahaye (2005) that, "Human Resource Development has become a critical function for many organization and the basis of their competitive advantage." Human resource development is defined as set of intentional activities by an organization to increase employee's skill, abilities or knowledge and direct these skills and abilities for the company's benefit (Marsic and Watkins 1990)

Two factors that have greater impact on the evolution of HRD towards more active role as a key determinant of the business strategy: the centrality of the information technology to

business success and the sustainable competitive advantage offered by the workforce expertise.

Component of strategic human resource development are organization learning, individual learning, blended learning, training and management development




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## 18.18 GLOSSARY

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**Core competency** :A unique ability that a company acquires from its founder or develops and that cannot be easily imitated

**Competitive advantage:** a condition or circumstances that puts a company in a favorable or superior business position

**Development:** The process of creating something more advanced,

**Knowledge creation:** is the process of formation of new notions and concepts  
Knowledge storage and retrieval, capturing, storing and sharing

**Knowledge distribution:** Sharing of the knowledge

**Knowledge application:** application of knowledge to solving problems

**Mission:** A mission statement defines the company' business, its objectives and its approach to reach those objectives

**Proactive:** Acting before a situation becomes a source of crisis

**Reactive:** Reacting to the past rather than anticipating the future

**Sustainability:** Sustainability focuses on meeting the needs of the present without compromising the ability of the future generation to meet their needs.

**Vision:** A vision statement describes the desired future position of the company




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## 18.20 SUGGESTED READINGS

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## 18.21 TERMINAL QUESTIONS

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- Q1. Write few definitions of strategy? Meaning of strategic management?
- Q2. Define strategic Human resource development.
- Q3. Explain the features of strategic human resource development.



## 18.22 CASE LET

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In a company ABC Ltd, there was a supervisor Mr Mahesh Kumar Gupta who had risen to the position by way of his hard work and sincerity. Fifteen years back he was working as clerk. He was a staunch active and dynamic unionist on those days.

After becoming a supervisor, in response to change in his responsibility, he was forced to drift away from union activities. His promotion as supervisor was not a buy off. He was promoted because of his capability and efficiency. But the union leaders for reasons best known to them did not like his promotion from clerical to supervisor.

He was having good interpersonal skill and he was doing the job as supervisor satisfactory. On one fine morning he assigned some work to the peon of the department but the peon refused to do the work. There was exchange of heated arguments, a lot of people gathered around and a certain point of time, the supervisor offensively gesticulated towards the peon.

The basic issue remained aside and everyone around started accusing the supervisor for his offensive gesticulation. The whole of the department refused to work under the supervisor. They demanded an apology from Mr. Mahesh Gupta and the trade union was also brought into the picture.

### Questions

- 1) Summarize the problem in the case briefly.
- 2) Discuss the role, the Human resource manager is supposed to play in this situation.
- 3) If you were the Human Resource manager, how would you resolve the problem.

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## **UNIT 19 COMPARATIVE HRD EXPERIENCES IN INDIAN AND INTERNATIONAL CONTEXT**

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- 19.1 Introduction**
- 19.2 Objectives**
- 19.3 Concept of HRD**
- 19.4 Definition of HRD**
- 19.5 Need for HRD**
- 19.6 HRD functions**
- 19.7 Features of HRD**
- 19.8 Benefits of HRD**
- 19.9 Recent scenario of HRD in Indian industries**
- 19.10 HRD in Indian organisations**
- 19.11 International HRD: Discussion and definition**
- 19.12 International HRD in India**
- 19.13 Summary**
- 19.14 Glossary**
- 19.15 Reference/Bibliography**
- 19.16 Suggested Readings**
- 19.17 Terminal Questions**

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### **19.1 INTRODUCTION**

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You will study the concept and definition of HRD, need of HRD, different functions of HRD, features and benefits of HRD. The chapter will also discuss the recent scenario of HRD, HRD in Indian organizations, international HRD and international HRD in India.

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## 19.2 OBJECTIVES

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After reading this unit you will be able to:

- Understand Recent scenario of HRD in Indian industries
- Know about HRD in Indian organisations
- Understand International HRD scenario.
- Know about International HRD in India.

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## 19.3 CONCEPT OF HRD

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Human resources is the essential differentiator for any organisation that would like to be dynamically progressive and growth-oriented. Human resources can be related to the unique capabilities of the people working with the organizations. Rettil (2014) in his study has identified such capabilities as physical, intellectual, emotional and ethical capabilities. However, it can be said that the requirements of each capabilities remains differently significant in different roles and organizations. But, there is an unanimity of opinion that human resource capabilities have unlimited potentials, which can bring significant changes in the organizational capabilities to deliver. The potential can be enhanced by creating a favourable climate that can continuously identify, explore, nurture and use the capabilities of people. Human Resource Development (HRD) system aims at creating such a favourable climate in an organization. Based on successful experiments and observations, many HRD techniques have been developed with different objectives to attain. This present unit will help to understand the concept of HRD system, HRD related mechanisms and the evolving boundaries of HRD. HRD concept was first introduced in 1969 by Leonard Nadler. He equated HRD as organized, continuous learning experience. According to him HRD is designed to bring behavioural change of the members of the organization in the long run. Human Resource Development (HRD) is therefore can be considered as the comprehensive framework for providing assistance and support to the employees of an organization in developing their personal and organizational skills, knowledge, and abilities, which can be related to personal and organizational capabilities of an individual. Such assistance can be in the form of career development and management, training of employees, management and development of the performance of the employees, coaching and mentoring, succession planning, key employee identification, employee transition and organization development. The objective of all aspects of Human Resource Development is therefore an endeavour for developing the qualitatively superior team of workforce, so that the individual, organizational accomplishments of goals can be accomplished leading to better performance in future.

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## 19.4 DEFINITION OF HRD

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Different scholars have defined HRD (Human Resources Development) from different perspectives. Some of the important definitions of HRD (Human Resources Development) are as follows:

According to *Leonard Nadler*, "Human resource development is a series of organised activities, conducted within a specialised time and designed to produce behavioural changes."

In the words of Prof. *T.V. Rao*, "HRD is a process by which the employees of an organisation are helped in a continuous and planned way to (i) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles; (ii) develop their journal capabilities as individual and discover and exploit their own inner potential for their own and /or organisational development purposes; (iii) develop an organisational culture in which superior-subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well being, motivation and pride of employees." .

According to *M.M. Khan*, "Human resource development is the across of increasing knowledge, capabilities and positive work attitudes of all people working at all levels in a business undertaking."

Therefore, the concept of HRD can be related to the following objectives.

- It helps in acquiring and sharpening of employee capabilities for better performance of present and future goals.
- HRD is about developing the general capabilities by helping the individuals to discover and unearth the full potentials within themselves.
- HRD is also related to developing an organizational culture based on mutuality, healthy superior-subordinate relationships, building team work , individual and professional well being of the employees, cross-departmental and functional collaborations etc.
- HRD also plays important role in promoting motivation of the employees, by creating an atmosphere of learning and growth.

However, HRD is not limited to the organisational context. It can be extended to the context of a state or a nation. In the context of a state or nation HRD is considered as a broad process, comprising of different aligned sub-processes and functions related to up-skilling, educating and developing manpower towards a better abled, scientifically tempered healthy nation. However, HRD from the national perspective and corporate perspective has a similarity. In both cases, the same is a continuous process and betterment remains an unending aspiration. Because the process has no limit, the mechanisms may need to be examined periodically to see whether they are promoting or hindering the process. To implement a successful HRD process, a proper planning is the foremost essentiality, followed by adequate and timely allocation of organisational resources and finally exemplification of an HRD philosophy is must that values human beings and promotes their development. So, it is a holistic philosophy with the pragmatic blending of practical strategies and initiatives.

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## 19.5 NEED FOR HRD

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As already mentioned that HRD is needed by any organization, that wants to be dynamic and growth-oriented or want to succeed in a fast-changing business environment. There are examples from public and private sector organizations from India and abroad that organizations practicing HRD as strategic initiatives have been able to overcome any serious challenges in their business more easily than their competitors. In India, public sector organizations like SAIL, GAIL, ONGC etc. have extensive HRD programmes and strategies and experts say that these HRD interventions have enabled the employees to adopt multi-tasking practices, to become enhanced organizationally engaged and more positive attitude oriented. In private sectors in India, both traditional organizations like TATA conglomerate, ITC, Ashok Leyland etc. and the new aged organizations in IT, pharmaceutical and knowledge sectors have given very high priorities on HRD related strategies and related initiatives. All these successful organizations have strategically focused on acquisition of employee capabilities, sharpened, and used the same on continuous basis. For this purpose, “enabling” organisational culture has been created. From their examples, it can be understood that an ‘enabling culture’ is essential to encourage the employees to take initiatives, risks, innovative measures, to fail in some experiments. The same ‘enabling culture’ can be created by effective HRD practices. Even an organisation reaching the maximum limit of growth can adapt to the evolving changing environment. Therefore, it can be said that without adaptation to the change, stability and renewal in organizational life cycle cannot be ensured.

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## 19.6 HRD FUNCTIONS

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The core concept of HRD is developing a ‘Human Resource System (HRS)’. Such development should not only cover the individual but also the units of the entire organisation. In addition to development of the individual, attention should also be given to the development of stronger dyads, i.e., two-person groups of the employee and his boss. Any organization is structured on this ‘dyads’ and the same cannot function without the same. Such dyads can also be found remain effective through different task forces, committees, inter departmental working groups etc. Such developments and practices lays down the principle of collaboration, mutuality and cooperation for effective decision making and overcoming the practical problems of the management initiatives. In the process of collaborative decision making, the entire department or even the entire organisation gets covered slowly. Such efforts therefore help to create in developing a conducive climate towards self-renewing mechanisms in the organisations. Such self renewal mechanisms are able to adjust and pro-act, and develop relevant processes contributing to organizational effectiveness.

Hence, the goals of the HRD systems are as follows:

- Developing of individual capabilities for making every employee a valuable contributor to the organizational growth story as well as a valued professional within the same organization and in industry.
- Developing the capabilities of each individual in relation to his or her present and future roles.
- Enhancing the dyadic relationship between each employee and his or her supervisor in the present and future roles.
- Developing the team spirit in every unit of the organisation (department, group, etc.) and subsequently, ensuring better collaboration among different parts of the organisation.
- Developing the overall health and self-renewing capabilities of the organization which, not only increases the enabling capabilities of individuals, but also the dyads, teams, and the entire organization in the long run.

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## 19.7 FEATURES OF HRD

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Some of the key features of human resource development are as follows:

- Human resource development is a process, which is based on the principle that employees of the organisations are ‘resources’ and some value is attached on the basis of it. It believes that human resource is most valuable and differentiating asset of the organisation. This is the only priority area of the organization, where both employees and employers remain directly involved and responsible for mutual benefits and growth.
- It consciously emphasises on development of human resources of the organization. A properly crafted HR strategy helps the employees of the organisation in developing their general as well as professional capabilities, which can help them in improving their performance in the context of their present jobs and expected future roles.
- It helps in establishing/developing better inter-personal relations based on help, trust and confidence, leading to promotion of team spirit among employees.
- HRD creates a healthy climate in the organization, which in turn helps the people of the organization to develop competencies at the organisation level. HRD is a system with several sub-systems. All these sub-systems are inter-related and interwoven and stresses on collaboration among all the sub-systems for the optimum results.
- It also aims to develop an organisational culture based on cordiality, positivity and growth.
- An effective organization performs based on mutuality and collaborative competence. HRD ensures and continuously supports such competence building at individual, inter-personal, group and organisational level.

- HRD is an inter-disciplinary concept. HRD is still evolving as a discipline based on the ideas and principles of sociology, psychology, economics, political science, education etc.
- HRD is based on employee welfare and quality of work life. It also attempts to examine/identify employee needs and meeting them to the best possible extent.
- The core of HRD philosophy is that continuity of systematic learning process, where development happens as the part of life long initiative.

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## 19.8 BENEFITS OF HRD

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Several studies since 1970s have indicated that HRD remained the key to higher productivity, better employee relations and greater profitability for any organisation. Some of the important benefits have been identified by several researchers are given here:

- HRD (Human Resource Development) makes people more competent by imparting new skill, developing knowledge base and molding the attitude of the people in the organisations.
- Employee engagement and commitment is a major challenge in the present day organization. An appropriate HRD programme can make people more committed to their jobs. Because, HRD based performance management believes on working on development of employee deficiencies rather than traditional practice of punishing for any deficiencies or even small failures.
- Trusteeship is the major foundation of any organization's success. Trusteeship is based on respect to the employees. HRD plays significant role in ensuring and promoting trust and mutual respect in the organizations.
- Managing change is the core of organizational success today. In the process of bringing effective change in the organization, employee participation, support etc. are found to be most important facilitators. HRD can create an environment, where such support and participation can be better ensured and change can be smoothen.
- It improves the all round growth of the employees by improving their skills, knowledge and positive behaviours.
- It also creates a culture of positivity, growth and employee self-attainment.
- It improves the participation of worker in the organization based on improved role and subsequent sensing of self- pride and achievement while performing their jobs.
- From functional aspects, HRD helps in collecting appropriate data on development related programmes and policies, which further facilitate more effective human resource planning in future.

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## **19.9 RECENT SCENARIO OF HRD IN INDIAN INDUSTRIES**

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In India, HRD is a phenomenon, which is still at a nascent stage. Scholars have identified several reasons and dimensions on this scenario. It has been observed by an eminent group of scholars that HRD has remained a sophisticated costly affair limited to those organizations, which are classified as big organizations with billions in turnovers and with thousands of manpower employed therein. Whereas, many thousands organizations from MSME sector have remained completely out of understanding of HRD in their organizations. Affordability has been identified as a major criteria by the scholars like Rao and Trivedi (2009) for adopting or non adopting of HRD in many organizations. According to them, most of the employers are of opinion that HRD is a costly affair and it yields benefits in the long run and they are simply not in a position to go for it. However, another significant study by National HRD Network (2010) has shown that though most of the organizations falling under the MSME category have not adopted any formal mechanism of HRD, yet in principle, many of them are already practicing many of the HRD functions without being focused on it. Another important factor has been identified in the deep rooted culture of Indian enterprises, where a large proportion is still run by the families. Such employers are assessing the value returned from each penny spent on employees. However, still many of such employers are targeting specific programs and practices to the employees that value them the most and becoming more important than ever. However, many of such HRD related initiatives have been proved neither cost effective nor practical to satisfy every employee. Therefore, understanding employees and issues they face holds the key to the function to respond quickly.

Another phenomenon has been witnessed in HRD practices in India. For long time, the practical approaches of HRD, those can be seen in the tools, tactics and programmes have remained almost same. However with the change in industry structure, workforce demographics etc., changes in employee needs and priorities have been witnessed. Many recent studies, including some of the very significant studies conducted by NASSCOM and CII have shown that apart from different material and monetary incentives, professional developments in the forms of job specific training and learning, career development and empowerment have been valued significantly by the employees in India. Many of the world class organizations based in India have adopted the model of 'corporate university' or 'corporate gurukul', where the place of work have evolved as the great places or learning for the organizations. Such organizations are growingly providing their employees the required opportunities to learn new skills and making them more productive not only in their present roles, but also in their future roles as well. Hence, as the part of the overall corporate planning, many Indian organizations have started adopting effective HRD based programmes across different industries. Many modern Indian organizations have gone little more, where developing a new skill set has been started to be implemented with behavioural interventions to make the employees better competent, happily satisfied employees.

HRD has been first introduced by several big organizations from both public and private sectors in India with different objectives. Organizations like State Bank of India, Life Insurance Corporation OF India, Steel Authority of India etc. initiated HRD in mid 1970s and

early 1980s with different objectives. However, HRD remained a major initiative in a better form or shape in Indian armed forces since 1950s, though they same was not termed as HRD. In the private sector, companies like TATA steel, Kirloskar, Larson and Turbo (L&T) adopted HRD in the beginning for better job evaluation and incentive plan making, employee capability building, role reallocation etc. Since 1991, India witnessed a radical and fundamental change in policies of government regarding restructuring of economies and every attempt was started to make Indian organizations globally competitive. Though it was phased economics restructuring, but gradually the Indian organizations were alerted with the imminent possibilities to face greater competition. The liberalization of Indian economy was the first step towards integration of Indian economy with the global economy. For the first time since independence, many Indian companies started to feel the heat of global competition. It also opened several new opportunities for the Indian organizations. Growth was attempted to be ensured by removing of artificial barriers on pricing and output decisions, investments, mergers and acquisition, joint ventures, technology imports, import of foreign captain etc,. All these became much easier than ever before. Even foreign direct investments were made easier and many Indian organizations entered with partnership, technology collaboration etc. with major foreign players. This really enabled many of the Indian Organizations to expand, diversify, integrate and globalize more freely. Since 1990s, the new age Indian organizations grew faster mainly in information technology, pharmaceutical, bio-technology, telecommunication and automobile sectors. All these organizations and industries started realizing the importance on establishing a high performance work system to remain globally competitive. HRD as a policy was greatly integrated with such policy of high performance work practices as the core of achievement and failure was considered with the human factor only. A study by Nickham and Rogger (2015) on comparative HRD practices in different industrialized but growing economy has shown that the intensity of HRD adoption has witnessed a great shift from limited to greater dynamism in Asia from 1980s onwards and in India, it was since mid 1980s, the same witnessed a rapid expansion across industries. However, the same study observes that, it is still limited to only less than 20 percent organizations in India. The study observes that though more than 60% of the Indian organizations have formal HR departments, but only 9% of such departments have HRD cells or dedicated HRD professionals. National HRD Network (NHRDN), National Institute of Personnel Management (NIPM) etc. have published several reports on HRD climates and culture, where the same pictures of limited exposure to HRD have been identified. However, HRD has become strategically significant in recent times due to growing challenges such as changing workforce demographic, Competing in global economy, elimination of skill gap, need for lifelong learning and need for organizational learning.

Therefore, the following characteristics of Human Resource Development in India can be identified as follows:

- India has always remained a highly unionized country. But, except few industries or organizations, the relations between management and employees unions have always remained uncooperative and rival in nature. Many of the labour intensive organizations and sectors in India, therefore have always remained busy in managing industrial relations issues, rather than focusing on innovative HRD practices. Even, trade unions have rarely shown their positive support in implementation of HRD practices in the organization. To these trade unions, HRD is still a development catering the interests of the employers, not the employees.
- It is also found that mainly large organizations have remained focused on HRD practices. Scholars have identified few reasons such as better affordability, available expertise etc. are responsible for such concentration. Several other studies have shown that still majority of MSME organizations are not even aware of HRD interventions and those are aware of, have expressed their inability to pursue such formal HRD practices due to lack of expertise, scope and limited resources.
- It is also found that many Indian organizations with foreign partnership or collaboration have better and prior HRD records than many domestic and family run organizations. According to a recent study by Kumar and Agarwal (2015) on Indian organizations with foreign partnership, has shown that almost 76% of such organizations in Gujarat and Maharashtra have formal HRD practices and departments, whereas less than 30% of the Indian family run or private organizations have such policies and practices. The study further reveals that because of better priorities towards training, performance appraisal, career management; reward mechanisms, etc., these Indian organizations have adopted HRD as an important policy.
- Stronger leadership has also been found as an important factor for effective implementation of HRD in India. Traditional organizations in India still believe in automatic change and does not believe in large scale interventions. The new age Indian organizations have however under their dynamic leadership, have adopted better world class HRD philosophy and empowered employees significantly. It is also found that Indian Organization, trying to be competitive globally, have invested a lot on developing of a sustainable system for continuous improvement.
- Many of the Indian organizations have started HRD departments, yet such departments are found to be extremely poorly managed. Even many of them have been found to be working without any proper direction. Many of such departments are themselves not empowered.. This has resulted in lack of a strategic role in terms of ability to identify, develop and manage support resources for adoption of HRD programmes and practices.

Therefore, it can be concluded that instead of dramatic growth of HRD culture in our country, most of the organizations are still at the nascent stage.

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## 19.10 HRD IN INDIAN ORGANISATIONS

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HR Management in India organizations had a glorious past and currently at cross roads in spite of very few innovative practices. The problem is that most of the Indian organizations have become dependent on the consultants. It has become a common phenomenon that many of such organizations have become completely outsourced major parts of HR responsibilities to external agencies and ignored their role in institutionalization. A study by ASSOCHAM (2009) has shown that almost 90 percent of their member organizations have outsourced many of the learning and development initiatives to external agencies. A general tendency has been found that most of the organizations have focused on short term target implementation. Long term human capital building has not been their priorities. Factors like cost saving (rather pseudo cost saving), vigilance concerns and risk aversion have been found to be more significant in their priorities. Even consultants may introduce and leave some innovative HRD practices, but such ideas could have not been implemented with consistency and continuity. Many scholars have observed that in Indian organizations, the problem of HRD in organizations had never been lack of ideas but that of serious and consistent implementation. Many studies have also shown that with the change of leadership qualitative shift in HRD focuses and decisions happened in Indian industry. For example, Ranbaxy Laboratories, a major pharmaceutical company has witnessed different layers of HRD implementation under different leadership. Instead of figuring out and working on implementation issues most organizations and their Therefore, leadership commitment towards building an effective workforce is bound to play significant role in the organizations' HRD strategies. If we consider HRD in the Public sector undertakings, a glorious past can be easily found. Most of the major public sector organizations have been able to attract highly competent people in the past. Joining the corporations like NTPC, BHEL, BEL, HMT, HAL in seventies and eighties have been considered as prestigious accomplishments. Same trend was visible in joining the Nationalised Banks and the RBI by many. Thus the organizations were able to continuously attract talented technocrats and other graduates. The quality of manpower was unarguably great in executive cadres in Indian public sectors. These organizations were also able to establish robust HRD systems. For example, HMT was the first organization IN India in late 1970s, which set up a dedicated Organization Development (OD) department. This initiative of HMT was indeed path breaking at that stage. BHEL was the first organization in India, which initiated MECOMs (Manager Employee Communications) systems. This facilitated overall employee development and subsequently created a healthy organizational culture. State Bank of India and its associates were the first organizations, those to started a separate HR department under the guidance of Udai Parekh and the same department played active role in establishing a vibrant HRD system in these organizations. Bharat earth Movers (BEML) appointed him as Advisor in General Manager's capacity to design and develop HRD systems and also to train internal talent to manage HRD. BEML was therefore able to initiate high performance HRD systems since late 1970s. Indian Oil Corporation adopted regular HRD climate surveys in early eighties and emerged as the first organization with an internal Role Directory. During the same time Indian Institute of Management Ahmadabad helped public sector giant SAIL to restructure its performance

appraisal and various other systems. Another public sector petroleum giant such as Hindustan Petroleum Corporation Limited initiated HRD in early 1980s with the objectives of integrating communication with HRD practices. Bank of Baroda got its Branch level structured re-examined with HRD and OD interventions. Life Insurance Corporation of India also modified performance appraisal system and a specific and more comprehensive work planning and review system. National Dairy Development Board (NDDB) introduced a HRD function and started different HRD and Organization Development interventions. However, with the liberalization of Indian economy, in both public and private sectors HRD experienced some serious blow at least for some times. HR departments' priorities started changing from overall development to downsizing and VRS schemes. But, the seniors of HR management professions were still in shock. Slowly they started realizing that with the growing insecurity of jobs, multiple opportunities for talent pools, coming of new generation organizations etc. , capability modernization, enhancing per employee contribution etc. have been emerging HRD priorities. Old good philosophies of employee retention with development initiatives were found to be not relevant anymore. Many prominent public sector organizations started losing talented employees, who also preferred multi-nationals to join.

However, the ray of hope was still there. For example, large public sector like NTPC has profiled the competency requirements of its General managers and Executive Directors. and started the concept of Assessment centres were started in National Thermal Power Corporation, which was only such HR investment after the liberalization was declared. For almost last 20 years, NTPC assessment centres have served almost 10000 employees to deal with different professional problems. Inspired by NTPC, another major public sector giant, Oil and Natural Gas Commission took the initiative to start Assessment and development Centres for their Asset and basin managers and have trained a number of their Directors as assessors during 1990s. Since 1995, Steel Authority of India revised their performance appraisal system and has redesigned the new system. More emphasis has been given on 360 Degree Feedback and Assessment centres. Hindustan Aeronautics Limited (HAL), Bharat Heavy Electricals (BHEL) are two major public sector organizations, where leadership development has been integrated with HRD initiatives. Some other developments are jointly developing of executive development programme by TVRLS AND Management Development Institute (MDI), joint launching of one year Post graduate program to develop their internal Talent with by LIC and Indian Institute of Management Ahmadabad. A directive has been issued recently by the Department of Public Enterprises appealing to all Organizations, which has advised all public sector organizations to revamp their performance management systems. While many good things are going on like those mentioned above, a great qualitative difference in the way HRD interventions are being made to day as compared to eighties have been found to be missing. This is the spirit of HRD. Essentially because in many of the Organizations, HRD interventions seem to have become short term target-driven, consultant driven, vigilance driven and tender Driven. As a result they have taken away the spirit and pleasure of implementation from the HR Managers.

Some of the contemporary challenges of HRD in Indian industries can be explained as follows:

- The first challenge remains on tapping the talents, developing and utilizing them for organizational and personal growth and happiness. India has a big talent pool and the organizations have existing talents, those are becoming old and tardy as well as those, who joined organizations recently. Moreover expectations of different generations of employees are found to be conflicting. The bureaucratic approach of the aged executives and freedom obsessed young generations are posing threats to each other. Therefore, changing perspectives of leadership policy should also be incorporated. Contemporary HRD can play serious role in this regard.
- The Second challenge of HRD remains the lack of innovative thinking. With the growing dependence on consultants, HRD of the organizations are fast going to the back foot. Everything has become outsourced and even the questions started being asking about the relevance of HR department at all.
- The third challenge of contemporary HRD practice is the ignorance of the local tested out practices and preference for un-implementable global practices. Though global standardized HRD models should not be replicated in Indian systems, still the same is being followed at random. The challenge of modern HRD lies with customizing such practices in the context of organizational culture and trends.
- The fourth important challenge, the Indian HRD is facing is lack of involvement of top level managers in HR related matters. The top level managers in HR are often found busy with other policy issues. To them HRD is still not a priority. Changing the perception of top management, though is difficult, yet, not impossible. If they can be convinced by facts and data about the HRD benefits, the scenario can be changed. In India, most of the Chief Human Resource Officers have not played this role significantly.



### *Check Your Progress-A*

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#### **Q1. Explain the essence of the following statements:**

- i. Human resource development is a series of organised activities, conducted within a specialised time and designed to produce behavioural changes.
- ii. HRD is a process by which the employees of an organization acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- iii. HRD is not a mere administrative process under the personnel department.
- iv. Effective HRD initiatives require 'enabling organizational culture'.

- v. HRD is the process of developing the capabilities of each individual in relation to his or her present role.

**Q2. Identify different HRD tools in HRD practice.**

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**Q3. What are the challenges of HRD ?**

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**Q4. HRD has evolved a long way in India, though it has long way to go-explain.**

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## **19.11 INTERNATIONAL HRD: DISCUSSION AND DEFINITION**

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It is proven that with the growing economic globalization and internationalization of business, importance of HRD has also evolved (Yaw, McGovern, & Budhwar, 2000). It has been providing the impetus for the need of a definition of international Human Resource Development. Over the past few decades, with the growingly intensifying globalization, internationalized HRD study and practice have become an essential aspect of global business management practice. But what is international HRD? While the term is frequently found in the literature, it is usually not properly defined. Few attempts have been made to define it, but failed to capture the actual spirit of the concept. One of the major barriers in creating a definition of International Human Resource Development is evolution of HRD in different countries in different ways. This is due to the interpretations given from different cultural perspectives (Hansen and Brooks, 1994). However, global corporations may use this multiple dimension and perspectives based observations, while expanding their business in different parts of the world. Because, such adaptability will help these organizations to develop some sort of 'best fit' approach for each markets and locations. A general approach has been proposed by Peng, Peterson, and Shyi (1991). According to their observations, HRD in

international business needs to be more organization specific and a core practice can be developed, which is suitable for all the locations. However, they have also emphasized that local adjustments can be done whenever and wherever required. A culture based HRD concept has been developed by Peterson (1997). In this model, HRD has been found to be accommodated in three culture categories. These are recommended HRD framework based on a culture other than USA, inter-cultural HRD categories and general cross-cultural HRD. However, none of the definitions of international HRD is found to be full proof. From the UK, Metcalfe and Rees (2005) attempted to map out the terrain of International HRD theory and activity by drawing on international HRM (IHRM), development economics, and development sociology literature. They have categorized international HRD, global HRD, comparative HRD, and national HRD. As per their opinion, International HRD is a broad 'term' that focuses on process interventions for the international level. Under comparative HRD, different HRD approaches across nations can be compared and this aspect of comparative HRD is mostly dependent on local cultures, practices and challenges. This aspect of HRD highlights how local cultures have helped the organizations and countries to frame their respective HRD practices and frameworks. And such a definition should focus broadly on the full range of theoretical foundations that influence International HRD, working across multiple organizational types and entities. Finally, a broad range of stakeholders also need to be addressed in the definition, including, minimally, government entities, non-profit and non-governmental global organizations, transnational corporations, and individuals. The major stakeholders for international HRD can be briefly described as follows. The local HRD is based on local practices and priorities only.

A major dilemma in moving forward with a definition of IHRD is that HRD is a developed discipline in a limited number of countries, though this situation is changing rapidly. Though in the countries like USA, HRD is found to be long established academic discipline and same trend is visible in some of the European countries, such as UK, Netherlands, and other countries etc., HRD is still a growing and not that accepted discipline in most of the countries in Asia, Africa etc..India is an exception in Asia, where, HRD is considered and regarded as a well-established academic discipline. In this condition, an attempt has been made to define the concept of international HRD from the perspective of evolution of HRD. Robins and Harrow (2010) in their research paper defined international HRD from this perspectives only. According to them HRD in international business can be defined as advanced HRD, moderate HRD and Backward HRD. Advanced international HRD has been defined as the institutional framework based on most intensive HRD culture, whereas the moderate international HRD has been defined as HRD set-ups still developing and backward are those, where the growth is minimum and many more to be grown. It is also found by several authors that too many countries, including India, are so ethnocentric in nature. Therefore, most of such studies have been found to be self-serving rather than mutually beneficial. Therefore, the study by McLean(1996) has shown that local factors play more important role in defining local HRD practices, which in turn frame the wholesome approach of international HRD. Shaped in sophisticated historical, social, philosophical and cultural contexts and imbibed in tradition and belief systems, HRD practices in different countries

have been found to be heavily influenced by their distinct characteristics. In short, establishing a basic and universal IHRD theoretical framework can be done by understanding as cross-national HRD, transnational HRD, and global HRD. The purpose of this interaction is systematically to tap existing human potential and developing them accordingly. Therefore international HRD can be related to international work-based, community-based, society based, culture-based, and politically-based approaches in the context like cross-national relationships. The purpose of such approach is found to be aspirational. This is more accommodative, tolerant and respectful. International HRD is therefore may be best defined as multiple adjustments of different HRD priorities in different parts of the world. It is an approach, where mutuality prevails based on exclusiveness.

Therefore, it will never be an wise approach to put the boundaries and specificity for HRD, and particularly international HRD. A good number of scholars have also argued that ambiguity is desirable in preventing a field from becoming stagnant. Exploring International HRD provokes HRD scholars to pay more attention to larger issues affecting countries such as culture related approaches etc..The definition adopted by Cho and McLean (2004) may be the most appropriate in this regard. According to them, international HRD does not stand on any narrow definition, but on mutuality, specificity and approachability. Because, according to them HRD is much beyond mere commercial gain, but is related and deeply imbued with overall development of individual, group, organizations and the nation.

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## 19.12 INTERNATIONAL HRD IN INDIA

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India is going to touch four decades in the journey of HRD revolution by 2015. The history of HRD started with the events of launching of first dedicated HRD department in 1975 by Larson and Toubro (L&T) and the philosophy of HRD outlined by Uday Pareek and T.V Rao in the year 1975. This commencement of HRD revolution in India had has created profit centered HRD at enterprise level in more recent past. Due to business and trade globalization during the last decade competition orientation crept up the Indian HRD which became nucleus of HRD literatures, thus, the HRD revolution continued till 2000 with its own distinction. The history of HRD in India at international level is much older than that of the history of HRD in common parlance. The first formal international HRD activities were originated as on launching of Indian Technical and Economic Cooperation (ITEC) programme on 15th September, 1964. This was a programme organized by Government of India . This programme was the flagship programme in the direction of ensuring and encouraging technical cooperation by the Government of India. The same programme was later extended to innovation cooperation and collaboration in 1970. Since then, such programme was funded by the Government of India to foster technological and innovation collaboration between Indian and foreign collaborators. Therefore, such programmes emerged more than traditional corporate HRD in India. ITEC and its corollary SCAAP (Special Commonwealth Assistance for Africa Programme) had partnership with 158 countries in Asia & the Pacific, Africa, Latin America & the Caribbean and East & Central

Europe and have played crucial roles in developing two-ways competency building across these nations and also in India. Many of these collaborative efforts later helped commercial organizations in all these countries, including India to plan and invest in HRD practices. Training for civilian and defence sectors in India of nominees from ITEC partner countries; deputation of Indian experts to abroad; and support to study tours to India and to the partner countries are three of total six components of ITEC program. The training programmes conducted under the ITEC have been contributing to capacity building and human resource development in many parts of the world.. The other components of HRD are deputation of India experts, study tour to India in the special request of ITEC partner in the specific areas of interest are identified and a two to three weeks programme; and participation in the projects. The ITEC/SCAAP program is considered as a visible symbol of India's role and contribution to South-South Cooperation. Information brochure of ITEC and SCAAP programs for the year 2012-13, there are 47 numbers of Indian institutions for foreign civilian training. Under the Ministry of Science and Technology, Govt. of India contributes in global HRD, under three levels of cooperation, viz. at the bilateral, regional(BIMSTEC, India-ASEAN, SAARC etc.), regional policy level, look east policy, and at multilateral level (Patrick, 2009).

The government of India is fostering several international collaborations with developed and industrialized countries like the UK, Germany, and Australia and so on. One of such major initiatives is The UK India Skills Forum (UKISF). The forum was established in April 2002 under the initiatives of UK India Joint Economic and Trade Committee (JETCO). Since inception, It has extended all possible supports to provide a comprehensive platform for enhancing the quality technical and vocational education in UK and India. The initiatives have also helped to explore business opportunities in the sectors based on exchange of ideas for delivery of skills training. Few other major such bilateral collaborative initiatives are India-Canada collaborative arrangement, India- Australia collaborative initiative etc. India-Australia collaborative initiative includes the setting up of the Australia-India Bureau for Vocational Education and Training Collaboration (BVETC), the Australia-India VET missions of 2010 and 2011. Germany and India have also focused on enhancing their strategic bilateral partnership in the field of skill collaboration. This bilateral initiative reached a new height when both Government of India and Government of Germany have upgraded the same as the ministerial level partnership. Till now, with all these partnerships, bilateral collaborations have contributed significantly in developing international skill force. Present approaches of Government of India have also focused on joint investment in corporate skill management, where foreign governments and organizations have been invited to participate in 'Skill India' plan and finally, these skilled manpower will be absorbed in the workforce in several industries. Therefore, priorities of HRD has started shifting.

Multilateral and the global agencies such as UNESCO, UNDP, and ILO etc. are also conducting and sponsoring a lot of programs. Especially the programs conducted by UNDP in India for achieving the millennium development goals are such type of programs. In regard to skills development, India is a recipient country of various program received from the multilateral agencies (Sharma, 2009).

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## 19.13 SUMMARY

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Human resources development is essential for any growth oriented organisation. Human resource is the asset, which is not only most difficult to manage, but also most costly in present day business. Development of human resource is therefore being considered as the strategic initiative. Such practices and initiatives are based on exploring unlimited potential capabilities. The initiative can be used to create 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. Human resource development is a series of organised activities, conducted within a specialised time and designed to produce behavioural changes. HRD is needed by any organisation that wants to be dynamic and growth-oriented or to succeed in a fast-changing environment. In India, HRD has evolved a long way and is still evolving in different shapes and strategies. Internationally, HRD has also experienced different phases and is now the part of corporate strategic interventions (Nestler, 2012).




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## 19.14 GLOSSARY

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**Human resource development**-“Human resource development is the across of increasing knowledge, capabilities and positive work attitudes of all people working at all levels in a business undertaking.”

**International HRD** is a broad ‘term’ that focuses on process interventions for the international level. Under comparative HRD ,different HRD approaches across nations can be compared and this aspect




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## 19.16 SUGGESTED READINGS

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## 19.17 TERMINAL QUESTIONS

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- Q1. Explain the concept of HRD from the key definitions.
- Q2. Describe the key objectives of HRD in an organization.
- Q3. Identify the futuristic needs of HRD initiatives in an organization.
- Q4. What do you understand by ‘HRD systems’ and what are the goals of HRD systems in an organization?
- Q5. Explain the ways, the HRD system of an organization can be developed.
- Q6. Describe the essential features of HRD in an organization.

Q7. Do a cost benefit analysis of an HRD initiative in an organization and identify the key benefits, the HRD can deliver to the organization.

Q8. Describe the evolution of HRD practices in India.

Q9. Explain the contemporary scenario of HRD practice in an organization.

Q10. Present the key trends of HRD in international business scenario.

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