

# Human Resource Development

By: Neelima Sharma

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# HUMAN RESOURCE DEVELOPMENT

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## *HRD: CONCEPT AND SYSTEM*

### The Process and System of Human Resource Development (HRD)



#### INTRODUCTION

The importance of human factor in industries lies in the fact that it has an unlimited potential for investments. It is the only resource which is able to produce an output greater than input. However, the human resources is the most complex and unpredictable because of its individuality. In the wake of new environment, the importance of human resource development has increased manifold. Human resource development (HRD) refers to the process of increasing the knowledge, skills and capacities of people in a society. The human resource development is a continuous process which helps to develop the personality, skills, dynamism, motivation and effectiveness of employees in a scientific way. This is a programme which is referred to various learning activities designed to change in behaviour so that they can accept all changes and contribute in the company's production and profitability.

In this chapter, we will understand the concept of human resource development, its system and sub-systems, various processes and functions etc.

#### CHAPTER AT A GLANCE

##### THE CONCEPT OF HUMAN RESOURCE DEVELOPMENT

The concept of Human Resources defines that employees are a great asset of an organization. Human resource development may be defined as “the

development of people by providing the right environment which each individual may grow to his fullest potentialities.” Human resource development is planned and continuous process, which helps to develop and sharpen capabilities as individual and discover and exploit their inner potential for their own and organizational purposes. HRD includes such opportunities as employee training, career development, performance management, coaching, mentoring, succession planning, key employee identification and organizational development.

The focus of all aspects of human resource development is to develop the most efficient workforce or employees so that the organization and individual (employee) can accomplish their company's goal. Human resource development is strategic approach to the acquisition, management and motivation of people so that the employees can improve their performance over work.

Human resource development can be formal or informal system for employees in an organization. The formal system could be like classroom training and development, or an organizational plan change effort. In case of information system of human resource development includes employee coaching or mentoring by a manager. Healthy organization adopts all these fundamentals of human resource development and believe to cover all these bases.

HRD has termed as a critical role to play in the achievement of organizational goals and helping the

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organizations to achieve and maintain excellence. It is well said by the management *gurus* that, good people and a good culture make good organization. HRD has the responsibility of getting the right kind of people, creating and maintaining a culture that nurtures and rewards talent. It facilitates the process, the real challenge in modern organizations and share this responsibility with every line manager.

### VALUE-ANCHORED HRD PROCESSES

Human resource development is a new concept to develop employees to acquire competencies and to increase their knowledge, skills and capabilities for better performance and higher productivity for organisation. HRD means to bring about the possibility of performance improvement and individual growth. HRD has been conceptualized in three dimensions i.e. as an individual employee, means, manpower is considered as a valuable resource, in which time, and effort are required to be invested for the their development. Secondly, the employee has to be treated and developed through a process of training and development, coaching and mentoring, periodic feedback of managers or superiors, and assess their developmental needs. In short, human being cannot be treated like material resources. Third, human resource should not only focus on individual growth but also their social and professional needs. Human resource development is the process of helping people to acquire competencies.

**1. The Individual Employees:** This process helps us to guide how an individual perceives his environment, how he interacts with others, how he achieves his goals in life and so on. This process also includes

- (a) **Self-management:** The employee must develop his skill and knowledge to manage his/her work effectively. This may include training and development, study of new technology, new market trends etc. The individual must develop the capability to analyze the performance process in terms of factors involved in his career growth, promotion, transfer, salary increment and so on. The self-management would also include improving the competency and information for the next level of his role in an organization.
- (b) **Competence Building:** The main aim of competency building of an individual is of better performance and error-free results. The main contribution of HRD in competency building of an individual employee is to highlight his

personal strengths and weaknesses and helps to improve them. While working in the organization, the employee must learn a new skill which helps them to improve his performance and contribute in organizational goal.

- (c) **Advancement:** This term is related to the individual career growth in an organization. Human resource development should guide and help an individual employee to provide a better environment, training, coaching and mentoring for their next level of promotion.

**2. The Role:** This process is more concerned about the role of an individual employee in an organization. The human resource development is required to give proper attention to all the roles and responsibilities of an employee while performing for an organization. There are three main aspects of the development processes of roles i.e., optimum stress (it involves the new challenges for employee in his/her role), Linkages and autonomy. Every individual is required to cope with various pressures and stress in relation to his role in the organization. Therefore, it is very important for the HRD to clear the role and responsibilities of employee. If the individual role is clear and he/she is aware of the competencies required for the role performance he can cope with these pressures effectively. Human resource development must attempt to develop a sense of autonomy of this kind in every role, even at the lowest level in the organization.

**3. The Dyad:** This process is defined in terms of an employee and his manager/superior, which are the bases of building blocks in an organizational structure. The stronger is the dyad, the stronger are the organization will be. Communication, conflict, cooperation and completion are some important areas of study in this process. If this process is neglected it may adversely affect the interpersonal effectiveness of individual in an organization. The focus of the development of dyads in an organization would involve to build the trust, mutuality, communication, etc. to improve the process.

**4. Teams:** This process is quite important for the performance, efficiency and effectiveness of an organization. It also highlights the adaptive strength of the organization. This process is related to collaborative and competitive process. There are primary areas in which HRD efforts must focus on the cohesion and resources utilization. It means maximum utilization of available resources and contribution for the effective results.

**5. Inter-teams:** The main aim of inter teams is to have collaborative and competitive process to improve the organization culture and helps in development as a whole. The main focus of HRD activity for such cooperation is to develop a corporate identity. This process can be very much improved by creating a climate of trust, authenticity, openness etc. and by clarifying norms and standards.

**6. The Organization:** At an organization level we have the growth process which involves issues relation to impact of developing new markets, developing services/products, introducing new technology in the market, self-renewal etc. This process can only be successful when an organization analyze the potential problems related to growth, and take proactive steps to prepare itself to meet these challenges.

#### HRD SYSTEM AND SUB-SYSTEMS

Organizational culture can be defined as cumulative ways of thinking and behaving to manage the values, systems and policies of an organization. The main purpose of maintaining the culture system in an organization is to maintain the performance, commitment, quality, customer service, teamwork and organizational learning in an organization. It focuses on developing important values, systematic communication system and building health, traditions and practices in organization. Development of culture system is a long-term process because it involves strong corporate identity, developing important values, examining the various operation systems, survey feedbacks, building health practices in an organization. It also focuses on the new methods and techniques of human resource development like induction of new joiners, mid-term increments and promotions, celebrations of incidents significant to employee like birthdays, anniversaries, etc.

In view of development of culture system of an organization, HRD paid attention to various aspects like effectiveness of communication, clearly of dyad, inter group collaboration etc. Communication ensures the flow of goal-oriented information. It also reduce the gap between individual and groups, superior and junior, management and worker. In all directions it helps to improve the role and responsibility of every individual working for an organization irrespective of designation and their levels. The communications mainly are of four types:

(a) **Downward Communication:** This includes communicating the different circulars, bulletins, newsletters, notices, policies and manuals down

the line. Sharing the information from higher level to the lower level of employees which help employees to make them feel as if they are the part of organization.

(b) **Upward Communication:** This is as important as downward communication. It serves several purposes of such communications. This process may include the exit interviews, employee's feedback, grievance handling, meetings to resolve the employee issues and problems, understand the need of training on new technology etc. This process helps the HRD and management to improve the systems and process of organization. It also helps to remove the leakages of the various processes of the said system. The most importantly, it Keizen the systems on regular bases.

(c) **Horizontal Communication:** This system is important for the effective mechanism. In today's competitive market, it is very important to develop the collaboration and reduce bureaucratization. While sharing the problems, group meetings of all head of departments (like HR, finance, operation, marketing etc.), may help to make coordination more effectively.

(d) **External Communication:** Communication with external agencies like competitors, old and new customers, government departments, potential resources, business units serves to improve the competitive mechanism of an organization. There are some of the important mechanism of external communication are balance sheets, annual reports, advertisement, brochures, exhibitions and fair and so on. These tools influence the market and contribute to the credibility of the company. In short, it demonstrates the credibility of an organization.

#### CHANGING BOUNDARIES OF HRD

The successes or failure of an organization depends not on materials, machines and equipments, but on the efficiency of the personnel who are to put in their best efforts for an efficient performance jobs. Over a period of time, the human resources has taken many folds, earlier the human resources management was seen at a micro level but now it has reshape as an important function of any organization. The initiatives has been included in Human Resources Department are as follows:

**1. Recruitment:** Recruitment is a process whereby the work to be undertaken by an employee is closely

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examined, and results in the preparation of a job description. In other words, recruitment is process of discovering the potential applicant for actual or anticipated organization vacancies.

**2. Selection:** Selection is the process of logically choosing individuals who possess the necessary skills, abilities and personality to successfully fill specific jobs in the organization. It is entirely depends on proper manpower planning and recruitment, many techniques of selection are used as: application form, interviews, test and assessment centre is available to select the best candidates from a pool of application.

**3. Induction:** Induction is a process where the new employee has been introduced to all employees, undergone company policies and procedure and understand the HR functions at all levels.

**4. Training and Development:** Training and development comprises an integral part of HRD process. The purpose of training is to improve the capabilities of the human resources in order to increase their efficiency and effectiveness on the job. Training and development is expected to indicate positive changes in knowledge, skill and attitudes. Training is job-oriented and fulfils the current needs of an individual to overcome job difficulties.

**5. Reward or Compensation:** Rewards are the positive reinforcements given by the organization. Rewards act as effective motivators and help people to increase productivity and efficiency. Restructuring salary and reward system through compensation surveys, introduction of stock options, performance linked up incentives, bonus, etc.

**6. Performance Appraisal:** Performance appraisal can be defined as the formal assessment and rating of individuals by their seniors. Performance appraisal focuses of helping the individual to develop his or her present role capabilities and to assume more responsibility for that role. Potential appraisal focuses primarily identifying the employee's future likely roles within the organization.

**7. Personnel Records:** Personal records is a process to maintain the records of employees which contain information provided in the original applicant with subsequent addition to qualification and experience required.

**8. Industrial Relation:** Industrial relations considered collective bargaining, grievances, procedures and employment legislation.

**HRD TRENDS IN ASIA**

The scope of human resource development has expanded considerably throughout the world. Over the

last forty years or so, new techniques and systoles of managing the human resources have been developed as a result of the researches and experiences in the filed.

The major reason of expanding the HR functions is because of the voluntary efforts of the employers. In countries like India human resource grew because of entrance of multinational companies, expansion of business at international levels and government involvement in various HR functions like labour law, personnel management etc. From the social and cultural points of view, the development of human resource helps people to lead fuller and richer lives, less bound by tradition. In short, the process of human resource development unlocks the door to modernization. Under the influences of technological development, organizational complexities are growing.

At the year 2002, an international conference on HRD in Asia was held in Bangalore, which was participated by all Asian countries. The concern was to develop a new leadership to meet new challenges. There is a trend to extend the application of human resources development from micro level to macro level. It also focuses to bring the human resources functions in some basic sectors like education, agriculture and development of leadership. Human resource development has a strategic role to play in transforming Asian societies into fast growing economics of the world.

**SELF-ASSESSMENT QUESTIONS**

**Q. 1. Elaborate the human resource development (HRD) system with suitable examples.**

**Ans.** HRD system is an effort to develop capabilities and competencies among employees as well as create organizational environment conducive to the employee's development. The following requirements must be considered to have an effective HRD systems:

- (1) Human resource information system is to keep continuous track of every employee and use performance appraisal.
- (2) A desire on the part of the human resources to find better methods to improve quality and productivity.
- (3) The HRD department must make all the employees in the organization understand the implications of new methods through seminars, lectures, role plays or any other methods.
- (4) Coordination between the HR department and the key personnel of an organization.
- (5) Removal of hurdles from the organization affecting productivity of the employees.