



MBA 3.11

Master of Business Administration

**Uttar Pradesh Rajarshi Tandon
Open University**

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Block

1

AN OVERVIEW OF HUMAN RESOURCE DEVELOPMENT

Unit 1

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MBA 3.11: HUMAN RESOURCE DEVELOPMENT

BLOCK 1: AN OVERVIEW OF HUMAN RESOURCE DEVELOPMENT

In Block 1 you would learn about an Overview of Human Resource Development, Introduction to HRD; HRD process and outcomes; Human Resource Development Matrix and HRD Interventions.

Unit 1 discusses Introduction to HRD; human resource management; meaning of human resource development; challenges in HRD; HRD goals; HR planning; purpose behind current intrigue and significance in HRP.

Unit 2 explains HRD process and outcomes; HRD mechanisms; execution appraisal; possible appraisal; conventional and modern approach of training and development; connection between HRD components and hierarchical performance; HRD process and outcomes and different factors.

Unit 3 deals with Human Resource Development Matrix; HRD matrix; Interrelationship of HRD matrix; HRD mechanisms; HRD process; HRD outcome variables; and organizational effectiveness dimensions.

Unit 4 deals with the human resource development (HRD) interventions; evaluation centres and competency testing; proficiency; preparing and development roles and competencies; human resource challenges; and effective HR management.

UNIT 1: INTRODUCTION TO HRD

UNIT FRAMEWORK

- 1.1 Objective:
- 1.2 Introduction
- 1.3 Human Resource Management
- 1.4 Meaning of Human Resource Development
- 1.5 Challenges in HRD
- 1.6 HRD Goals
- 1.7 HR Planning
- 1.8 Purpose behind Current Intrigue and Significance in HRP
- 1.9 Summary
- 1.10 Self-Assessment Questions
- 1.11 Text and References

1.1 OBJECTIVE:

After completing this unit you will be able to understand following topics:

- To explore the concept of HRD; human resource management, meaning of HRD,
- To determine the theoretical framework of HRD, other framework of HR models,
- To elaborate challenges in HRD, HRD goals, methodology, appraisal, quantifiable profit, innovation,
- To explain the HR planning, purpose behind current intrigue and significance in HRD.

1.2 INTRODUCTION

HR improvement is a proceeding with process containing three related segments:

- Investment in HR to upgrade creation capacities.
- Utilization of those HR to deliver expanded yield.
- Participation of the people who have improved assets (better training, better aptitude levels and so forth) in the utilization of that expanded yield through superior personal satisfaction.

Human Resource Development is an arrangement of creating in a constant and arranged manner the abilities of individual representatives, dyadic gatherings (boss and subordinate), groups and the absolute association to accomplish the association's objectives. It augments the consistency between the individual and the hierarchical objectives of workers and builds up an authoritative culture wherein prevalent subordinate connections, cooperation and joint effort among different units become solid and add to the expert prosperity, inspiration and pride of representatives.

In general, HRD has focused on developing human resources in order to improve monetary efficiency and, as a result, a country's wealth, which is inextricably linked to financial returns. In any event, there is a greater emphasis on the human aspects of HRD in current definitions and discussions, particularly in relation to developing countries. As a result, in the context of development, the meanings of the terms HR advancement and human advancement are extremely intertwined.

1.3 HUMAN RESOURCE MANAGEMENT

HRM and different papers must have shown you that it is so imperative to Plan, Organize, Staffing and so forth. What's more, in this way, for that arrangement ahead of time to stay ahead in business? That is the mystery of accomplishment in this day and age.

Everyone now understands the importance of Human Asset Planning. In lieu of that, we will talk about an outline of human assets intending to begin with:

- What it is actually,
- Why is it so significant?
- How it is associated with the broad scale: corporate arranging, technique, and destinations, to name a few.
- How would you go about it, say, in terms of human resource planning?
- What are the ecological elements to be dealt with while arranging?
- Problems you may counter while doing this procedure, and at last
- What is the most recent in (HRP? indeed! HRP.

HR arranging is the abbreviation. You could go over labour arrangement in various literatures, as that is how it was previously alluded to. The current exercise is around the concept of preparing for HR that the organization may require in the future in order to achieve its goal. Human asset arranging is the way toward foreseeing and doing the development of individuals into, inside, and out of the association. HR arranging is done to accomplish the ideal utilization of HR and to have the right number and kinds of workers expected to meet authoritative objectives.

Subsequently, it is a twofold edged weapon. When it is used effectively, it not only leads to suitable use, but it also reduces excessive work turnover and high non-appearance, as well as improving efficiency. It can likewise be characterized as the undertaking of surveying and foreseeing the aptitude, information and work time prerequisites of the association, and starting activity to satisfy or 'source" those necessities. Consequently, if the association all in all or one of its subsystems isn't performing to the benchmark, as it were, it is declining, it might need to design a decrease or redeploy its existing work power.

We should talk about the meanings of HRP as given by various specialists: Vetter opines that it is the procedure by which the executives decide how the association should move from its labor position to its ideal labor position to convey an incorporated arrangement of the association.

As indicated by Geisler, "Labor arranging is the procedure counting determining, creating and controlling by which a the firm guarantees that it has-

- The correct number of individuals,
- The correct sort of individuals,
- At the correct spots,
- At the opportune time, accomplishing work for which they are monetarily generally valuable."

1.4 MEANING OF HUMAN RESOURCE DEVELOPMENT

As indicated by the American Society of Training and Development (ASTD), HRD is the incorporated utilization of preparation and advancement, hierarchical turn of events, and professional improvement to improve singular gathering and authoritative viability. Society is confronted with new difficulties and changes day by day which build the need to furnish workers with proper learning encounters. Besides, HRD

causes associations to give learning identified with the objectives of the association and to its representatives.

Preparation, instruction, and improvement have already been used to put this knowledge to practice. As per Leonard Nadler, creator of Developing Human Resources,

- Training is a learning activity provided by businesses to employees in order for them to do their current jobs more effectively;
- Education centers around learning intended to set up a person for a vocation not quite the same as the one at present held; and
- Development centers on giving information or abilities inside a predetermined region, however isn't really work related.

1.4.1 THEORETICAL FRAMEWORK OF HRD

The Human Resource Development as a Function has advanced in India indigenously from the year 1975 when Larsen and Toubro Company conceptualized HRD as an incorporated framework and chose to isolate it from Personnel. From that point forward, over the last 25 years, most associations have begun new HR Departments or re-assigned their Personnel and different divisions as HRD Departments. Today there are exclusive standards from HRD. Great HRD requires very much organized capacity and suitably distinguished HRD frameworks, and skillful staff to execute and encourage the change procedure.

In 1975 Larsen and Toubro, an unmistakable Engineering Company in India had designated two advisors from the Indian Institute of Management, Ahmedabad to examine the presentation evaluation framework and make proposals for improving it. The two advisors (Pareek and Rao, 1975) considered the framework through meetings and so on, and proposed another framework. Pareek and Rao (1975) suggested that "Execution Appraisal, Potential Appraisal, Feedback and Counseling, Career Development and Career Planning and Training and Development get particular consideration as one of a kind piece of a coordinated framework which we call the Human Resources Development System". Pareek and Rao (1977) in their second report of the Human Resources framework in L&T (Larsen & Toubro Limited) suggested that the staff work be seen as Human Resources Function (HRF) and recommended a trifurcated work: Personnel Administration, HRD and Worker Affairs. The specialists separated the HRD from different segments of HRF and furthermore coordinated basically and framework astutely.

The standards planned arrangement with both the reason for HRD frameworks and the procedure of their execution. A portion of these standards include:

1. HRD frameworks should assist the organization with increasing empowering abilities. The capacities illustrated in their report include: advancement of HR in all angles, authoritative wellbeing, enhancements in critical thinking abilities, indicative aptitudes, and abilities to help the various frameworks in the organization, and so on;
2. HRD frameworks should assist people with recognizing their latent capacity and help them to contribute their best towards the different authoritative jobs they are relied upon to perform;
3. HRD frameworks should help amplify singular self-rule through expanded obligation;
4. HRD frameworks ought to encourage decentralization through assignment and shared obligation;
5. HRD frameworks should encourage participative dynamic;
6. HRD framework should endeavor to adjust the current authoritative culture with evolving society; and
7. There ought to be a constant audit and reestablishment of the capacity.

1.4.2 OTHER FRAMEWORK OF HR MODELS

Different systems and approaches emerged as HRD reached unmistakable excellence in the last decade. The Strategic HR Framework Approach is a fast assessment of a few of these. Ulrich and Lake (1990) characterised this approach as using and adjusting HR procedures to develop core authoritative capacities that enable an organization to achieve its goals. This structure includes clear devices and methods for differentiating how a company can employ its HR practices. The three major components of this structure are a business strategy, hierarchical capacities, and HR practices.

The Integrative Framework, the integrative structure offered by Yeung and Berman (1997) distinguishes three ways through which HR practices can add to business execution:

- 1) by building hierarchical capacities;
- 2) by improving representative fulfillment; and
- 3) by forming client and investor fulfillment.

Yeung and Berman (1997) contended for dynamic changes in HR measures to pull together the needs and assets of the HR work. They contended that HR measures ought to be business-driven as opposed to HR driven; sway driven as opposed to movement driven; forward-looking and inventive as opposed to in reverse looking; and as opposed to concentrating on singular HR practices should concentrate on the whole HR framework, considering cooperative energies existing among all HR rehearses.

1.5 CHALLENGES IN HRD

The future looks much more energizing and compromising. Associations are preparing for the troublesome occasions ahead by tapping the entire assets close by. Associations understand that their kin or workers would be one of the prime assets for building up a serious edge later on. Thus associations would require functional systems to adjust the individual gifts/qualities of their kin towards business objectives. This is the place Human Resources experts can assume a choosing job. They must face more current challenges, take on a variety of interesting responsibilities, and assist the company in achieving its objectives.

- How do we do that?
- What challenges are associations facing as a result of the changing business environment?
- What approaches and auxiliary adjustments will help organizations respond to these challenges?

When Henry Ford gladly took a gander at the mechanical production system winding its way on the shop-floor like an uproarious vehicle spewing smoke, little would he have envisioned that soon this snake is going to be one of the most imperiled types of its sort? The bogus economies in large scale manufacturing and gigantic inventories have been unceremoniously castaway today in this client spoiling a serious market. Trendy expressions like Right-estimating, Downsizing, Rationalization, Golden Handshake have been invited by organizations while alluding to the sheer number of workers. Assembling procedures, for example, "Adaptable Manufacturing Systems", "PC Integrated Manufacturing", "Endeavor wide Resource arranging" is getting out and about on the shop-floors today.

1.6 HRD GOALS

Representatives and associations will encounter an unavoidable change. Human asset advancement (HRD) improves worker fitness in their employment by expanding information, capacities, and aptitudes. In this condition, the representative will be fundamentally answerable for professional advancement however the organization will likewise have obligations that incorporate plainly expressing the organization's corporate methodology, its objectives and giving data about its business. The associations must follow those sorts of methodologies which help in achieving authoritative objectives with expansion to build up the human asset.

1.6.1 METHODOLOGY

The business methodology must be connected with the human asset system. It is fundamental to consider the varying attributes of individuals when setting an arrangement for an association to follow. The HRD objectives will be determined by the stage of development that the company is in: undeveloped, high-development, develops, or matures. Organizations that are simply beginning are keen on solid administrators. The following stage is portrayed by high development. While competing for a spot for their item in the market, they are additionally investing a ton of energy building up their scholarly capital, i.e., their kin. When at the development stage, organizations start to set more caps for worker activities. Great administrators at this stage can collect representatives to have the option to perform undertakings in the most ideal manner conceivable. Organizations that are maturing will be worried about monetary endurance and will require staff that can revive it. Authoritative culture will be most grounded when the organization is at the experienced stage. "Culture is the example of essential suspicions a given gathering has created in figuring out how to adjust to the two its outer condition and its inner condition".

1.6.2 APPRAISAL

Some portion of the improvement incorporates understanding the aptitudes and capacities that representatives as of now have. Indeed, even the most all around prepared representatives will perform ineffectively on the off chance that they are not evaluated appropriately. Fortifying recently secured data, showing new ideas, and presenting new thoughts are improvement angles that must be estimated and evaluated. Workers need to recognize what is anticipated from them. Adequate execution must be known whether the representatives are surveyed and if the evaluation data is conveyed to them. At that point, the estimation of what individuals have earned in the wake of preparing will be increasingly exact. Criticism from

supervisors to subordinates and the other way around is fundamental to the improvement work.

1.6.3 QUANTIFIABLE PROFIT

By holding representatives, the estimation of their improvement is increased. They will expand profitability and add to the general achievement of the association. Their extended information makes them important resources for the organization. After some time, this increased value will more than cover the costs of their unexpected turn of events. This mirrors a recompense model with an accentuation on quantitative and unmistakable outcomes. Be that as it may, ranking directors, instruction suppliers, and HR and HRD masters have faith in the compensation forward model, i.e., results should gather in the more drawn out term principally as social change and expanded joining of corporate objectives by singular workers. The compensation forward model is more on top of the commitment and HRD pros accept they can make.

1.6.4 INNOVATION

Innovative changes will adjust the essence of correspondence and furthermore the manners by which workers learn. Individuals ought to be urged to build up their capacities separately, particularly no sweat of conveyance of data through the Internet. Sharing information, trading assets and learning can be improved inside an association. Intuitive discussions and instructional exercises permit figuring out how to be done from even the most distant region. Continuous conferencing permits representatives to be understudies in virtual study halls.

All degrees of business capacities need mechanical turn of events. HRD should concentrate on skillful mentors. These will be the individuals with introductory duty regarding taking a shot at specialized aptitudes. At that point, as projects are additionally evolved, individuals will welcome the' innovative change as it works its way into the authoritative culture. For instance, if the bookkeeping office is fully operational with new frameworks, for what reason isn't the managerial level? Workers will invite opportunities to build up their specialized aptitudes to keep the inner serious atmosphere increasingly equivalent.

1.7 HR PLANNING

All of you probably comprehended the significance of arranging in general. In planning a situation for the viable execution of people cooperating in gatherings, an administrator's most basic assignment is to see that everybody comprehends the

gathering's motivations and goals and its techniques for achieving them. On the off chance that collective endeavor is to be compelling, individuals must comprehend what they are relied upon to achieve. This is the reason for arranging! It is the most essential of the administrative capacities. It overcomes any issues from where we are to where we need to be. It makes it feasible for things to happen which some way or another would not occur.

In this way, with regards to Human Resources, arranging is an unquestionable requirement because here I can identify many. Yet, I anticipate that you should come up with an informative model for each.

- Ensures ideal utilization of man (lady, too these days?) control and profit by the quality of HR. The association can have a repository of ability anytime in time. Relationship building abilities are promptly accessible to complete the allocated errands if the data is gathered and masterminded heretofore.
- Forecast future prerequisites (this is finished by following along with the representative turnover.) and gives control measures about the accessibility of HR work time. On the off chance that, for instance, the association needs to extend its size of tasks, it can proceed without any problem. Arrangement ahead of time guarantees a nonstop flexibility of individuals with essential abilities who can deal with testing occupations without any problem.
- Help decides enlistment/acceptance levels. Let me clarify this with a model: you as a director need to figure out what sort of enlistment the association will require at such a date. In the event that you have a prepared HR plan, you will have a genuinely smart thought about what sort of individuals are being enrolled and at what position. Along these lines you can effectively plan your acceptance level.
- To foresee redundancies/surpluses/out of date quality.
- To decide preparing levels and functions as an establishment for the board advancement programs
- Know the expense of labor if another undertaking is being taken up, model: in instances of developments or another manufacturing plant, one would normally require increasing human assets, thus a budgetary assignment can be made in advance for this up and coming corporate vital move. Arranging encourages the planning of a suitable labor spending plan for every office or division. Thus it helps in controlling labor costs by avoiding shortages/excesses in manpower supply.

1.8 PURPOSE BEHIND CURRENT INTRIGUE AND SIGNIFICANCE IN HRP

You are all aware of the difficulties that the business is facing as a result of unpredictable and unfriendly ecological forces (such as innovation, social, monetary, and political change) affecting each and every one of them. At the end of the day, a mind-boggling extent of the expansion in the work power should be balanced in the sloppy division. Around 373 million laborers are put today in chaotic/casual segment in India; agribusiness laborers represent most of this workforce; constrained interest for incompetent and less gifted work.

- Increase sought after for gifted work because of innovative turn of events and up-degree and changes in the association of work.
- Problems in keeping up the proceedings with employability of work power recollect this! Interest in multi-skilling. A portion of the significant methodologies suggested in the World Employment Report are: - Timely Interest in expertise advancement and preparing at an upgraded level. (Would you be able to interface this to an association's or an industry's HR plans)
- Enhancement of instruction and aptitude level of laborers
- Responsive preparing framework.
- Need for a successful association all things considered. Take this into account as well.

Likewise, the decrease in the business development in the sorted out division and its contracting size in total terms, advancement initiated rebuilding practices by the organizations, in both open and the private area, and their presentation of alleged advancements, like Total Quality Management, Just-in-Time producing, creation adaptabilities and so forthcoming about into casualization of workforce, and the development of low quality work in the a sloppy segment, have presented exceptional difficulties to the Indian organizations.

Presently you see what the business may be confronting? These emotional movements in the creation of the work power will require that supervisors be increasingly associated with HRP, since such change influences representative enrollment as well as techniques for worker determination, preparation, remuneration, and inspiration. Despite the fact that arranging has consistently been a fundamental procedure of the executives, expanded accentuation on HRP turns out to be particularly basic when

associations think about mergers, movement of plants, cutting back, or the end of working offices (which all of you continue perusing, is the character of the cutting edge times).

Significant purposes behind the current accentuation on labor arranging include:

- **Employment-Unemployment Situation:** Though from the above extract we can translate that by and large, the number of instructed jobless is on the ascent, there is an intense deficiency for an assortment of aptitudes. This stresses the requirement for increasingly viable enlistment and holding individuals.
- **Technological Changes:** The heap changes in creation advancements, showcasing strategies and the executive's strategies have been broad and quick (e.g. presentation of HRIS). Their impact has been significant on work substance and employment settings. These progressions cause issues identifying with redundancies, retraining and redeployment. All these recommend the need to design labor needs seriously and efficiently.
- **Organizational Changes:** In the tempestuous condition set apart by recurrent variances and discontinuities, the nature and pace of changes in a hierarchical domain, exercises and structures influence labor prerequisites and require vital contemplations.
- **Demographic Changes:** The changing profile of the workforce regarding age, sexual orientation interest, education, specialized sources of info and social foundation have suggestions for labor arranging. The workforce is more varied than ever previously. What's more, the pattern shows it will be on the rise significantly more!!
- **Skill Shortages:** Unemployment doesn't imply that the work showcase is a wide open market. Associations have in general become complex and along these lines, thus, require more expert aptitudes that are uncommon and scant. The outcome is more reliance on experts. Accordingly, issues may emerge when such individuals on the off chance that they are workers choose to leave or change to progressively worthwhile business or in the event that they are consultants choose to move their business elsewhere. If you don't mind note that these are a case of ramifications of what is for the most part occurring in the business world today.
- **Governmental Influences:** Government control and changes in enactment concerning governmental policy regarding minorities in society for distraught gatherings, working conditions and long periods of work, limitations on ladies and

youngster business, easygoing furthermore, provisional work, and so on have invigorated the associations to get associated with methodical labor arranging.

- **Legislative Controls:** The times of 'recruit and fire' strategies are gone. Presently enactment makes it hard to decrease the size of an association rapidly and efficiently, particularly in the nearness of solid politicized worker's guild situation in India. It is anything but difficult to increment however hard to shed the fat in terms of the numbers utilized on account of ongoing changes in labor law identifying with lay-offs and terminations. Those liable for overseeing labor must look a long ways ahead; subsequently endeavor to predict labor issues.
- **Impact of Pressure Groups:** Pressure gatherings, for example, associations, lawmakers and NGO's dislodged, from the land by area of goliath endeavors have been raising opposing pressures on big business the executives, for example, interior enrollment and advancements, inclination to representatives' kids, dislodged people, children of the dirt and so forth recall the ASSAM TEA case!

1.9 SUMMARY

Human Resource Development is an arrangement of creating in a constant and arranged manner the abilities of individual workers, dyadic gatherings (boss and subordinate), groups and the aggregate of the association to accomplish authoritative objectives. Human asset improvement can be characterized as a lot of deliberate and arranged exercises planned by an association to give its individuals the chances to learn the important abilities to meet current and future occupation requests. The advancement of human asset improvement incorporates apprenticeship preparing programs, professional instruction projects, and manufacturing plant schools, preparing programs for semiskilled and untalented specialists, human relations development. Human Resource Development is one of the most basic pieces of the requirement for the workforce/representatives to be formed in such a way that they display an advantage for the organization is clarified by Human Resource Management. With least assets and less wastages an ideal creation can be completed. HRD causes associations to give learning-related exercises to its workers and bosses. In many associations, in any case, preparing for human asset improvement is part of a bigger human asset in the board office.

1.10 SELF ASSESSMENT QUESTIONS

Q-1. What do you understand about HRM?

- Q-2.** "Organizations don't change. People change. And then people change organizations." How does HRD change people?
- Q-3.** Does HRD help in enhancing Quality of Life? If yes, how and also cite at least two examples to justify the statement.
- Q-4.** What is HR Planning? Explain with suitable examples.
- Q-5.** Cite a practical example for the challenges faced by any Indian Organization? What efforts are being put forward to face these challenges?
- Q-6.** Describe Methodology of HRD.
- Q-7.** How do you sell the idea of the HR department to the managing partner?
- Q-8.** What do you understand about the Innovation in HRD?
- Q-9.** If you were an HRD manager what would have been your role in today's scenario?

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UNIT 2: HRD PROCESS AND OUTCOMES

UNIT FRAMEWORK

- 2.1 Objective:
- 2.2 Introduction
- 2.3 HRD Mechanisms
 - 2.3.1 Execution Appraisal:
 - 2.3.2 Possible Appraisal:
 - 2.3.3 Conventional and Modern Approach of Training and Development
 - 2.3.4 Connection between HRD components and Hierarchical Performance
- 2.4 HRD Process and Outcomes
- 2.5 Different Factors
- 2.6 Summary
- 2.7 Self-Assessment Questions
- 2.8 Text and References

2.1 OBJECTIVE:

After completing this unit you will be able to understand following topics:

- To explore the HRD mechanisms and execution appraisal
- To determine the possible appraisal and conventional and modern approach of training and development
- To elaborate connection between HRD components and hierarchical performance
- To explore the HRD process and outcomes and different factors

2.2 INTRODUCTION

HRD is a cycle, not simply a lot of components and strategies. The systems and methods, for example, execution examination, guiding, preparing furthermore, association advancement mediations are utilized to start, encourage and advance this cycle in a nonstop manner. Maybe since the cycle has no restriction, the systems ought

to be inspected intermittently to see whether they are advancing or upsetting the cycle. Associations can encourage this cycle of advancement by getting ready for it, by designating hierarchical assets for the purposes, and by embodying HRD reasoning that qualities people furthermore, advances their turn of events.

Human asset improvement is worried about the present and fate of representative execution by expanding worker's capacity to perform through improvement of representative's information, disposition, and abilities. An all-around planned, HRD program can build the degree of responsibility of representatives to the association and furthermore their observations that the work at the association is a joy not torment. Expanded contribution would thus be able to bring about accomplishment of authoritative objectives. HRD is an incorporated technique and arranged advancement measure for compelling usage of HR for the accomplishment of authoritative targets. It focuses on the improvement of both human assets and association. It is somewhat an all-out coordinating cycle between hard S's (Structure, Framework and Strategy) and Soft S's (Soft, Skill, Style and Superordinate goals).

"Individuals" are the most significant and important assets each association or establishment has as its representatives. Dynamic individuals can fabricate dynamic associations. Powerful workers can add to the viability of the association. Capable and roused individuals can make things occur and empower an association/foundation to accomplish its objectives. Along these lines, associations ought to consistently guarantee that the dynamism, competency, inspiration and adequacy of the representatives stay at high levels. Human asset advancement is hence a persistent cycle to guarantee the advancement of representative's abilities, dynamism, inspiration and adequacy in a precise and arranged manner.

2.3 HRD MECHANISMS

Numerous HRD systems are accessible to build up the skills of representatives and improve the general authoritative atmosphere. The significant ones are talked about underneath:

2.3.1 EXECUTION APPRAISAL

Execution Appraisal has become an undeniably significant instrument for associations to use in overseeing and improving the presentation of workers, in settling on convenient and precise staffing choices, and enhancing the overall quality of the organization's products and services. The examination cycle is the formal method of

assessing the worker's presentation. Its motivation is to give a precise picture of past and future worker's presentation, to meet this execution evaluation. The objectives depend on work related measures that best decide fruitful occupation execution. The conceivable real exhibition is estimated straightforwardly and equitably. Utilizing a wide assortment of methods, professionals use an appropriate technique for evaluating a worker's genuine performance against recently stated goals. The cycle is utilized to reinforce the exertion of execution linkage.

Evaluations help an association to convey its desires with respect to and the association among execution and prize to workers. They increment workers' certainty and representatives' input and their endeavors are as a rule sufficiently remunerated. The criticism is offered through an assessment meeting. Here, the rater attempts to give both positive and negative sides of the representative execution. To be helpful, raters or chiefs use.

1. HRD orientated examinations as a component to:

- Uncover challenges looked by the subordinate while taking care of the appointed errands and attempt to eliminate these obstacles.
- Understand the qualities and shortcomings of subordinates and help the subordinates beat the obstructions in the manner.
- Encourage subordinates to meet issues head-on, acknowledge obligations and face difficulties with certainty and fortitude.
- Plan for successful use of the gifts of subordinates.

2. Destinations of Performance Appraisal

Execution examination has been required to accomplish different targets in an authoritative setting. Evaluation serves to screen the endeavors of a person, to incorporate and co-ordinate singular endeavors into a co-employable try to give assurance and criticism to the person, to give methods for remedying or recognizing the endeavors of people, and to give an evenhanded and steady premise of appropriating prize and punishments. It is self-evident, hence, that there has been a wide range origination of the goals to be accomplished by an examination framework. It has additionally been found in a smaller setting by numerous who feel that its dominating use has been for assessment of past and current execution of workers.

3. Need and Importance of Performance Appraisal

The presentation examination has long been regarded as the most important and necessary tool for a business because the information it provides is quite useful in making market decisions from several perspectives, such as developments. The presentation additionally quantifies data social event and dynamic cycles which gives a premise to making a decision about the viability of staff, sub-divisions, for example, enrollment, determination, preparing, and remuneration. Precise data assumes an essential part in the association. In light of the fact that positions are assembled by classes, it results in pinpointing powerlessness to discover which of the representatives require preparation or guidance. If necessary, these classes can be divided into smaller and smaller groups. If comprehensive exhibition data is readily available, the administration can maintain consistent advancement and payment methods throughout the entire system.

4. Elements of execution evaluation

Levinson has referenced three elements of execution evaluations.

- 1) It looks to give satisfactory input to every person for his/her execution.
- 2) It indicates to fill in as a reason for improving or changing conduct towards some more successful working propensities.
- 3) It targets giving information to directors/administrators with which they may judge future employment tasks and remuneration.

5. Elements influencing execution

Coming up next are the variables which influence the exhibition of an individual and are, accordingly, of significance to execution evaluation.

- The character of prevalent has a significant impact on the type of execution. Subordinate relationship, especially in non-mechanical errands.
- The prevalent subordinate relationship is strong and facilitative in nature and is more profitable and fulfilling than control based relationship.
- Tasks requiring advancement and development require more prominent predominant uphold than those where just upkeep is required.
- Clarity of objectives regarding quality, cost, and time limit apply a significant effect on execution.
- Performance is high where objectives are dynamic. Developing undertaking necessities including expanded assistance in building subordinates.
- Performance is better if the assignment prerequisite (objectives) is fixed in coordinated effort with the subordinate concerned.

- Performance is low where input is lower or where the mental results of disappointment are unfavorable, for example loss of status or on the other hand confidence.
- Performance is high where the worker has a serious extent of consciousness of his ability and of the capability of his undertaking.
- Counseling for development in execution is more worthy to a subordinate where the counsel is sponsored by target factors and he/she can see an aim with respect to the better than help him in the push to improve.

6. Employments of Performance Appraisal

A portion of the regular employments of evaluations incorporate

- Determining suitable compensation increments and rewards for laborers in light of the exhibition measure.
- Determining advancements or moves relying upon the exhibit of representative qualities and shortcoming.
- Determining preparing necessities and assessment methods by distinguishing territories of shortcomings.
- Promoting powerful correspondence inside associations through the exchange of discourse among administrators and subordinates.
- Motivating representatives by giving them where they stand and setting up information on an examination for delivering help with faculty choices.

Such comprehensive recommendations included; advancing the associations validity with representatives; empowering the utilization of participative administration and representative contribution programs; concentrating on high accomplishment common trust what's more, responsibility; and building up a consolidated gathering enterprising way to deal with the executives, in this manner making a hierarchical culture wherein singular workers are urged to be versatile, serious, and effective.

7. Authoritative Performance

The essence of authoritative display is determining whether or not the organization has done a good job of transmitting and releasing its authoritative and operational capabilities in accordance with its critical goals, whether the organization in reality delivers the activities and yields as per its crucial the institutional order (Kim, 2005) and regardless of whether the inner administration and tasks have contributed generously to the accomplishment of these objectives (Rainey and Steinbauer, 1999).

2.3.2 POTENTIAL APPRAISAL

The term 'potential' alludes to the capacities controlled by a worker yet not put to utilize presently or the capacities to accept testing obligations in future tasks. The term 'execution' alludes to one's aptitudes, capacities in meeting the necessities of the activity which one is holding as of now. A potential examination is not quite the same as execution evaluation which shows the worker's current execution in his current job. In the event that the representative is needed to play a totally extraordinary arrangement of parts at the more significant levels, potential evaluation needs to be done at standard spans.

The potential evaluation alludes to the examination i.e., recognizable proof of the shrouded gifts and aptitudes of an individual. The individual may or probably won't know of them. A potential evaluation is a future-arranged examination whose fundamental objective is to distinguish and assess the capability of the representatives to accept higher positions and duties in the hierarchical order. Numerous associations consider and utilize expected examination as a major aspect of the presentation evaluation measures.

A. Vocation Planning and Career Development:

Singular vocation arranging accepted more prominent criticalness with the development also, speed of information, an extraordinary increment in instructive and preparing offices and boundless increment in openings for work. Thus, authoritative vocation arranging likewise picking up significance with the adjustment in innovation, human requirements, worth, and yearnings increment in hierarchical size, intricacy and different frameworks are working at various levels. At this point, HRD the framework is making this facilitative culture through its subsystems that would guarantee singular development and a drawn out responsibility to the association.

B. Significant Elements of Career:

Vocation has the accompanying significant components:

- It is an appropriately sequenced activity related action. Such occupation related action versus experience incorporate job encounters at various progressive levels of a person, which lead to an expanding level of duties, force, accomplishment, and prizes.

- It might be individual-focused or hierarchical focused. Individual focused (inner) profession is an exclusively seen sequence of vocation movement inside an occupation.

The cycle of vocation the executives can be grouped into two sections

1. Vocation arranging
2. Vocation improvement

1. Vocation arranging:

A vocation is an occupation that is held during one's working life. Edwin B Flippo characterized a vocation as a grouping of independent yet related work, goals that give progression, request, and importance in an individual's life. Douglas T. Lobby characterized a profession as "an independently seen grouping of perspectives and practices related with business related understanding and exercises over the time length of an individual's life".

A vocation is a successive example of occupations that structure a profession. Profession objectives are the future positions one endeavors as a feature of a vocation. Vocation arranging is the cycle by which one chooses professional improvement. They are close to home improvement which one embraces to accomplish an individual profession plan. Profession the board is the way toward planning and actualizing objectives and procedures that empower the association to fulfill worker needs while permitting people to accomplish their vocation objectives.

In the HRD framework, the drawn out development arranging of an organization are left well enough alone. They are made known to the workers; significant changes are talked about at all levels to advance comprehension and duty among workers. The prompt worry of workers is discovering where they remain in such a guide. Since administrators have data about the development plans of the organization they ought to be helped with arranging their vocations inside the organization. It is, nonetheless, redundant that every one of them would scale new statutes consistently yet in any event they know about the chances and get prepared for more noteworthy testing ahead. Be that as it may, without it, workers are once in a while arranged to encase the open doors that please their direction.

2. Vocation Development:

Profession improvement programs are not of the ongoing record. There are four steps in setting up a profession advancement framework they are;

- Needs: characterize the current framework
- Vision: deciding new headings and potential outcomes
- Action plan: settling on the functional initial step, etc.
- Results: keeping up the change.

2.3.3 CONVENTIONAL AND MODERN APPROACH OF TRAINING AND DEVELOPMENT

Most of the associations before never used to trust in. They were holding the customary view that directors are conceived and not made. There were additionally a few perspectives that preparation is an expensive issue and not justified, despite any potential benefits. Associations used to accept more in leader squeezing. Be that as it may, presently the situation is by all accounts evolving. The advanced methodology: Indian Organizations have understood the significance of corporate preparation. Preparing is currently considered as a greater amount of a maintenance device than an expense. The preparation framework in Indian Industry has been changed to make a more brilliant workforce and yield the best outcomes.

1. Preparing and Development Objectives:

The main target of the preparation and improvement division is to ensure the accessibility of a talented and willing workforce. Notwithstanding that, there are four different destinations: Individual, Organizational, Functional, and Societal.

- Singular Objectives – help representatives in accomplishing their own objectives, which thus, upgrades the individual commitment to an association.
- Authoritative Objectives – help the association with its essential target by bringing singular adequacy.
- Practical Objectives – keep up the division's commitment at a level appropriate for the association's needs.
- Cultural Objectives – guarantee that an association is morally and socially mindful to the necessities and difficulties of the general public.

2. Recognizing Training Needs

There is an incredible breadth for development of working staff in their activity fulfillment. The issue looked by people, gatherings, offices, divisions, and associations overall might be recognized through organized conversation furthermore, assessment studies.

3. Characterizing Training Objectives

By and large, the preparation programs are composed to confer information, aptitudes, mentalities, and skills of individuals to play out the relegated activity viably. The goals must be estimated. The prepared staff ought to be ready to use their insight and capabilities to tackle the recognized issue in the association. So as to accomplish this goal, the projects ought to have an applied direction.

4. Structure of Training Program

The substance of the program ought to be inferred by investigation and exercises ought to be performed by the prepared labor and their present abilities. The program ought to be adaptable, particular, credit-based, and application-situated. The program ought to upgrade learning by using on the activity learning experience and homeroom educating.

5. Targets of Training

Targets of preparing techniques can be resolved for the most part as beneath.

- a. Increase work fulfillment and ethics among representatives
- b. Increase representative inspiration
- c. Increase productivity in measures, bringing about monetary profit
- d. Increase ability to receive new innovations and strategies
- e. Increase advancement in procedures and items
- f. Reduce representative turnover
- g. Enhance organization picture, e.g., directing morals preparing.

Twelve inquiries were utilized to gauge the subordinate variable saw association execution. These things give a wide evaluation of execution by taping each measurement of the idea. A different segment in the survey was instituted to gather data about the demography of the respondents.

2.3.4 CONNECTION BETWEEN HRD COMPONENTS AND HIERARCHICAL PERFORMANCE

To know the size of impact that different HRD factors have on the perceptual authoritative execution of medical clinics in Kashmir, Multiple Hierarchical a relapse method has been utilized. This method shows a one of a kind parceling of the all-out change represented in a reliant variable by a lot of indicators (Cohen and Cohen, 1983). The specialist has entered five control factors in Model 1 and included every

one of the six segments of HRD as autonomous factors in Model 2. Hence, any critical change in R2 resulting from the last advance is because of the special commitment of anticipating factors on the grounds that perplexing or deceptive impacts have as of now been taken out. It is essential to note here that information was appropriately screened and cleaned; all issues identifying with multi-co-linearity were properly settled (Co-linearity is eliminated since the investigation utilized PCA strategy for factor extraction) and all other vital presumptions of relapse were satisfied. At first the needy variable authoritative execution is relapsed on five segment (control) factors (i.e., Sex, Age, Job, Experience, and Salary).

2.4 HRD PROCESS AND OUTCOMES

In organizations, human resource development is a never-ending cycle. The type of work done or activities included in HR may differ from one organization to the next, depending on the necessity, nature, and size of the organization. It is additionally every now and then premise in a similar association investigating the idea of progress the association is experiencing or the idea of capacities the association needs to work inside it. The association so as to create abilities in the representatives imagines different strategies for instruments.

There exist numerous instruments of HRD. These then lead to the age of HRD measures like job lucidity, execution arranging, improvement atmosphere, hazard taking, dynamism, and so forth in representatives. After these cycles are created in the representatives it prompts more skilled, fulfilled, and submitted individuals that would cause the association to develop by contributing their best to it. They improve authoritative viability. A model clarifying the linkages between HRD instruments, Processes, results, and authoritative viability is introduced as arrangements of HRD systems, measure factors, measure results, and hierarchical adequacy measurements.

The authoritative adequacy relies upon various factors like condition, innovation, contenders, and so forth. Nonetheless, different things being a similar association that has skilled, fulfilled, submitted, and dynamic individuals is probably going to show improvement over an association that scores low on these HRD result factors. Correspondingly, an association that has a superior HRD atmosphere and cycles is probably going to be more powerful than an association that doesn't have them.

2.5 DIFFERENT FACTORS

There are different factors such as Work force Policies, Top Management, Styles, and Investments on HRD. Some other factors like top management's commitments, history, previous culture, and line manager are interest, and soon condition, technology, resource availability, history, nature of business, and so forth. The HRD cycles and results are isolated to bring out strongly the accompanying:

- HRD results are a couple while numerous cycles exist.
- When HRD measures are working at the same time it influences the results.
- Authoritative viability is a bit nearer to HRD results than the cycle factors. For instance, better correspondence, job clearness, execution arranging, trust, coordinated effort, receptiveness can be viewed as more distantly identified with association viability than factors like having equipped, dynamic, fulfilled, and submitted workers.
- It is the ampleness of the HRD measures in the association which is addressed if the HRD results are absent in an association at a good level.
- The linkages between hierarchical viability and HRD results are not effectively self-evident because of the impact of a few different factors in deciding efficiency. The Chief Executives, unit heads, line supervisors, and HRD directors keen on HRD need to put forth attempts to advance HRD cycles and culture in their associations as an issue of 'confidence' or 'theory' and not search for evident results regarding hierarchical viability.
- There exists another sort of relationship which needs consideration. This is the connection between HRD systems and HRD measures. The main presentation of HRD instruments and HRD divisions don't naturally bring about the advancement of HRD measures. It is conceivable to have a HRD culture without having a HRD office or without utilizing any HRD frameworks. That requires great initiative at the top, vision, and working of HRD values to form the absolute starting point of an association.

The accompanying can be proposed about the linkages between HRD systems and cycles:

- HRD systems and HRD offices are helpful instruments for beginning and reinforcing improvement measures connecting for an objective in HRD results.

- The frameworks ought to be planned in such a method of keeping in view the HRD cycle and culture to be accomplished.
- These instruments should be occasionally observed to check whether they are encouraging the establishment of HRD cycles and culture or not and whether the components should be changed.
- Independent of how well the instruments are planned the top administration needs to have a promise to HRD and conveys this to all workers.

2.6 SUMMARY

HRD measures are encouraged by systems like execution examination, preparing, hierarchical turn of events (OD), criticism and advising, profession advancement, expected turn of events, work revolution and prizes. HRD doesn't cover just a lot of components or methods, however it is a cycle by which representative's gain or hone capacities to play out the different capacities, build up their overall abilities as people and adventure their own inward possibilities, create cooperation and joint effort. HRD idea is a lot more extensive and grasps practically all regions of an association.

With regards to banking, HRD implies the procurement of information and abilities as well as getting capacities to foresee and oversee both interior and outer condition and acquiring, fearlessness and inspiration for open assistance. Further, HRD is anything but a piecemeal or a one-time work out, it is a persistent cycle needing to stay up with the progressions and advancements occurring. Each technique or component has two measurements: meaningful and procedural. Meaningful measurement is what is being done to measure the manner by which it is practiced, including how individuals are identifying with one another and what cycles and elements are happening. In the vast majority of the associations there is overemphasis on the considerable part of strategy and the procedural viewpoint is ignored.

At whatever point there is an issue in the association, its answer is looked for in the guidelines and structures instead of in the hidden gathering elements and human conduct. In this way, rules might be changed; structure might be adjusted however bunch elements and human conduct remain tragically immaculate. It is felt that there is no compelling reason to give any consideration to them. This isn't right. In each association the human cycle must get as much significance (if not more) as the meaningful measurement.

2.7 SELF-ASSESSMENT QUESTIONS

- Q-1.** What do you understand about HRD Mechanism?
- Q-2.** Define the HRD Mechanism Tools.
- Q-3.** Define HRD Process & Outcomes
- Q-4.** Characterize the Training Objectives.
- Q-5.** Define the linkages between HRD systems and cycles?
- Q-6.** What are the significant Elements of Career?
- Q-7.** What do you understand about Promotion?
- Q-8.** What are the Elements of execution evaluation?

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UNIT 3: HUMAN RESOURCE DEVELOPMENT MATRIX

UNIT FRAMEWORK

- 3.1 Objectives
- 3.2 Introduction
- 3.3 HRD Matrix
- 3.4 Interrelationship of HRD Matrix
- 3.5 HRD Mechanisms
- 3.6 HRD Process
- 3.7 HRD Outcome Variables
- 3.8 Organizational Effectiveness Dimensions
- 3.9 Summary
- 3.10 Self-Assessment Questions
- 3.11 Text and References

3.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the HRD matrix and interrelationship of HRD matrix
- To determine the HRD mechanisms
- To elaborate HRD process
- To explore the HRD outcome variables
- To explain the organizational effectiveness dimensions

3.2 INTRODUCTION

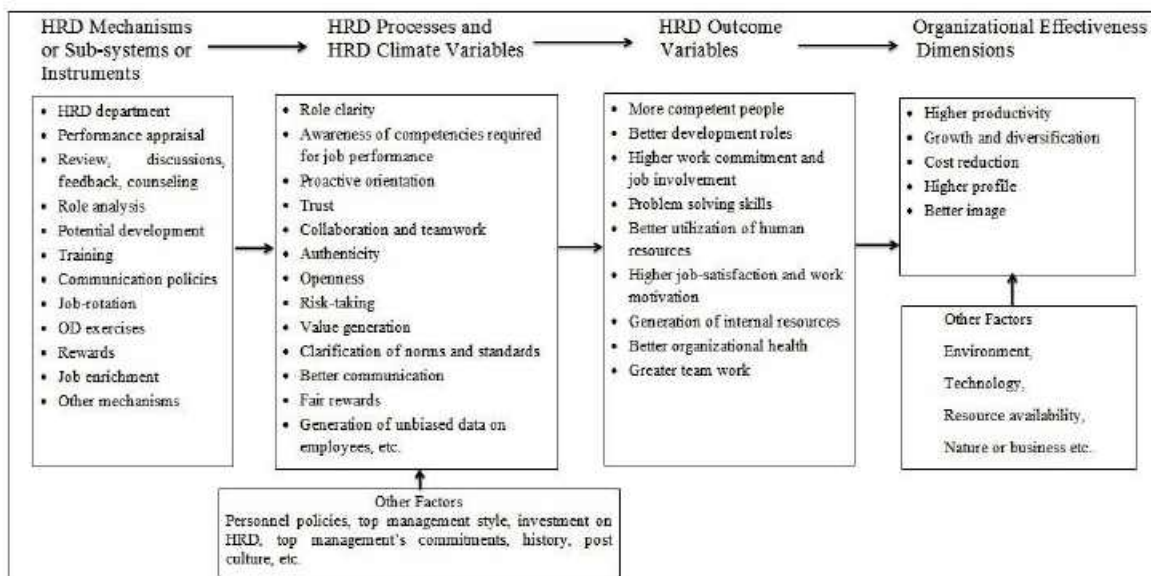
HRD Matrix recognizes the interrelationships between HRD instruments, cycles, results, and hierarchical viability. HRD instruments incorporate execution evaluation, guiding, job examination, expected turn of events, preparing, reward framework, work improvement, and so on. These systems may differ contingent on the size of the association, the dedication of the top administration, nature, the way of life and

atmosphere, the view of the individuals, innovation utilized, strategies utilized by the contenders, and so on. It is in light of a legitimate concern for the association that the top administration should give due weightage to these components to keep the workforce propelled constantly giving testing occupations and structuring profession arranging and reasonable remuneration bundles so prepared representatives may not leave the association.

These instruments lead to the age of HRD measures like job clearness, advancement arranging, improvement atmosphere, hazard taking, and dynamism in workers. Such HRD cycles should bring about more able, fulfilled, and dynamic individuals who are probably going to show improvement over those who don't have confidence in the HRD idea and submit individuals who, by their commitments, would cause the association to develop. Such HRD results impact authoritative viability over the long haul. It might be noticed that hierarchical adequacy additionally relies upon various different factors like condition, innovation, contenders, and so forth. In any case, different things being the equivalent, an association that has skill.

3.3 HRD MATRIX

The HRD matrix shows the interrelationship between HRD instruments, processes, outcomes and organizational effectiveness.



- **HRD Instruments:** These include performance appraisal, counseling, role analysis, potential development, training, communication policies, job rotations, rewards, job enrichment programmes, etc. These instruments may vary depending

on the size of the organization, the internal environment, the support and commitment of the top management, the competitive policies, etc.

- **HRD Process:** The HRD instruments lead to the generation of HRD of processes like role clarity, performance planning, development climate, risk-taking, dynamism in employees. Such HRD processes should result in more competent, satisfied and committed people that would make the organization grow by contributing their best to it.
- **HRD Outcomes:** As shown in above figure, HRD instruments and processes make people more committed and satisfied, where they tend to give their best to the organization enthusiastically.
- **Organizational Effectiveness:** Such HRD outcomes influence the organizational effectiveness in the long-run. It may be noted that organizational effectiveness also depends on a number of variables like environment, technology, competitors, etc.

3.4 INTERRELATIONSHIP OF HRD MATRIX

HRD Matrix distinguishes the interrelationships between HRD instruments, cycles, results, and authoritative viability. HRD instruments incorporate execution evaluation, advising, job investigation, likely turn of events, preparing, the prize framework, work enhancement, and so forth. These systems may differ contingent on the size of the association, the responsibility of the top administration, the condition, the way of life, and atmosphere, the impression of the individuals, innovation utilized, strategies utilized by the contenders, and so forth. It is in light of a legitimate concern for the association that the top administration should give due weightage to these elements to keep the workforce spurred constantly giving testing occupations and structuring vocation arranging and appropriate pay bundles with the goal that prepared workers may not leave the association. These instruments lead to the age of HRD measures like job clearness, improvement arranging, advancement atmosphere, hazard taking, and dynamism in representatives. Such HRD cycles should bring about more capable, fulfilled, and dynamic individuals who are probably going to show improvement over those who don't have faith in the HRD idea and submit individuals who, by their commitments, would cause the association to develop. Such HRD results impact hierarchical adequacy over the long haul. It might be noticed that hierarchical adequacy likewise relies upon various other variables like condition, innovation,

contenders, and so forth. The HRD lattice shows the interrelationship between HRD instruments, cycles, results and authoritative viability.

3.5 HRD MECHANISMS

With reference to the dimensions/components/sub-system of HRD, many thinkers and professionals have given divergent views and designed the mechanisms of HRD in different ways. HRD mechanism in sub-systems should be periodically reviewed to ensure/check whether it has resulted in developing desired HRD climate or not. Some of the important human resource development instruments are explained in detail as under:

3.5.1 PERFORMANCE APPRAISAL AND MANAGEMENT

Performance appraisal is the process of determining how well a worker is performing his job. It provides a mechanism for identification of qualities and deficiencies observed in an employee in relation to his job performance. The object of appraisal is to determine the present state of efficiency of a worker in order to establish the actual need for training. Performance appraisal consists of a framework of planned goals, standards and competence requirements and plays an important role in integrating the individual's needs with the organizational needs. Prof. T.V Rao has rightly stated that the performance appraisal system has a dual approach (i) Evaluation Approach and (ii) Development approach. Development oriented performance appraisals have gained momentum in recent years. Further, achieving human resources development goals through training and development is better than achieving goals through performance appraisal alone. The process of performance appraisal consists of:

- **Setting standards for performance:** Job Descriptions Defines what people do and how they work together. It helps the organization to assess its standing in terms of its competence of the human resources required at different levels of the organizational hierarchy as against desired/expected level of human resources requirements. It also aims to determine the extent to which its human resources can be improved. According to Byars and Rue, "performance appraisal not only lets the employee know how well he is performing but should also influence the future level of effort, activities. Result and task direction"
- **Communicating the standard to the employees:** Staff Supervision Provides a system to develop work plans and monitor performance.
- **Measuring the performance:** Performance Evaluation Provides information to staff and organization on level of performance. It helps in comparing the actual

performance with the standards set. It enables the organization to evaluate the present position, strength and weaknesses of its human resources.

3.5.2 TRAINING AND DEVELOPMENT

Training and Development are the human resource development instruments or sub-systems used by every organization. The importance of training has increased as a result of fact and constant improvement in the technology. Training is an act of increasing the skill and knowledge of an employee to do a particular job. It aims to increase the efficiency of an employee for a specific job. On the other hand employee development aims at overall development of the employee. It is a future oriented training program. Its goal is to help employees advance to top management roles. So most of the organizations believe not only in recruiting the best in the industry but also in developing their competence training is a process that involves the acquisition of skills, concepts and attitudes in order to increase the effectiveness of employees in doing particular jobs. Training is expected to provide the needful stimulus to initiate impulses of changes in management and to improve efficiency, productivity and administrative effectiveness.

- **Staff Training:** A cost-effective way to develop staff and organizational capacity.
- **Management/Leadership Development:** Leadership and good management are keys to sustainability.
- **Links for External Pre-Service Training:** Pre-service Training based on skills needed in the workplace is cost effective.

3.5.3 POTENTIAL APPRAISAL

In organizations that subscribe to HRD, the potential (career enhancement possibilities) of every employee is assessed periodically. Such assessment is used for developmental planning as well as for placement. Pareek, Udai and Rao in their discussions of potential appraisal say that in most Indian organizations, the normal practice is to promote people on the basis of past performance. Most young executives coming to organizations are career minded, ambitious and looking for fast growth.

Business and people have to be managed proactively. Potential appraisal means assessment and identification of inherent capabilities i.e. skill, Knowledge. Taking into consideration the dynamic nature of the business, development of new technology, diversification, and monetization, increases must be assessed in advance. Potential development refers to improving an employee's ability to take difficulties

and responsibility in order to handle a higher position in the future; consequently, potential development seeks to identify. Employees' potential to hold crucial positions in the future and take responsibility is being developed. Potential appraisal provides necessary data which helps in preparing career plans for individuals. It aims at development of latent abilities of individuals. The HRD function has a long way to go in introducing a streamlined potential appraisal system which ensures a good match between the employees and the job.

3.5.4 FEEDBACK AND PERFORMANCE COUNSELING

The performance appraisal/evaluation report of employees may be used as feedback information. In determining the necessity for employee counselling, management may discuss and evaluate the progress of the subordinate with him. Counselling can serve various useful purposes. It may resolve employees' frustration, misunderstanding. It may provide proper guidance to employees to improve their performance capabilities. It may help in improving senior subordinates' relationships. It may help the seniors to understand the problems of their subordinates and vice. It can help the employees to overcome the problems faced by him and make the best utilization of his strengths. It can help the employees in setting goals and designing an action plan to meet these goals.

Feedback of performance data can be used to monitor individual development and for identifying training needs. Career counselling and verbal rewards are integral parts of review discussions between the superior and the subordinate. Counselling serves several purposes in any organization. It helps in strengthening the superior and subordinate relationship, helps the executives to understand the limitations of his seniors and problems of his juniors, improves communication, thereby facilitating quality decisions, helps employees in recognising their strengths and weaknesses and also helps evaluate the impact of their decisions and so on.

3.3.5 ROLE ANALYSIS

Role analysis is a participatory process which aims at defining the work content of a role in relation to all those with whom the role occupant has significant interaction in the performance of his job. The concept of role is broader than that of a job. A job is an assignment of work/ task. Each job calls for a specific set of duties and responsibilities. A role consists of the total pattern of expected behaviour, interaction and sentiments for an individual possessing an assigned job. Role analysis is a process. It aims at defining the contents of a role in relation to all those with whom the

employees have to deal and interact performing the job. Rule analysis is identified as an intervention for the purpose of role clarity and performance appraisal.

3.5.6 CAREER PLANNING

A career is a sequence of positions occupied by a person during the course of his work life. **Edwin B. Flippo** states, "A career is a sequence of separate but related activities that provide continuity, order and meaning in a person's life." Career planning is a process. It helps the employees to plan their career. It encourages the employees to analyze and assess their capabilities, and the focus of career planning is to help the employees to match their skills and abilities to the needs and demands of the organization. It aims at providing accelerated career growth opportunities for efficient and capable employees. So career planning is a systematic process of determination of the career prospects, career development and career growth of an individual employee. It helps to strengthen the human development system of the organization.

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. Its goal is to raise employee knowledge of their own strengths and shortcomings, as well as to assist them in matching their talents and abilities to the organization's needs. Without the development of people in the organization, the organization cannot prosper. Individual career development is considered to be a three step process:

- Identifying and organising skills, interests, work-related needs and values
- Converting these inventories into general careers, fields and specified job goals and
- Testing the possibilities against the realities of the organization or the job market

3.5.7 JOB ROTATION

Job rotation is another human resource development mechanism or subsystem. This instrument is the least practiced instrument in the industry. This instrument is used to develop managers and supervisors in an organization. The work-task should be rotated among the employees so as to broaden their field of specialisation as well as their knowledge about the organization's operation as a whole, one should be rotated once a year among the various employees depending upon their qualifications and suitability to perform new works.

It is a systematic and planned programme of interchanging employees from one job to another for a definite period of time provides an opportunity to employees to get them acquainted with other functional areas in development of general management skills. It allows for the development of empathy and an understanding of how other departments work. It aims to develop all-rounders in the organization.

3.5.8 JOB ENRICHMENT

Job enrichment refers to widening the contents of a job. It is a deliberate upgrading of responsibility, scope and challenge in work. It is a process which helps the Individual to grow show and steady. It is based on the belief that employees/workers want more responsibility. The success of job enrichment depends on how effectively it is being implemented by the work groups.

3.5.9 QUALITY CIRCLE

A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product-quality problems and to improve general operation. The quality circles are relatively autonomous units (ideally about 10 workers), usually, led by a supervisor or a senior worker and organised as work units. The workers, who have a shared area of responsibility, meet periodically to discuss, analyse, and propose solutions to on-going problems.

3.5.10 REWARD SYSTEM

Reward is the compensation to the employees for their services to the organization. Rewards are necessary to retain the services of efficient employees, motivate the employee for better performance and to attract capable and efficient potential employees to the organization. Employees must be suitably rewarded for their contribution to the organization. Employees must be suitably rewarded for their contribution to the organization. Rewards may be (i) Extrinsic reward and (ii) Intrinsic reward; extrinsic reward is related to monetary benefits such as salary promotion, brings benefits etc. Intrinsic reward is tied to the job itself, such as job satisfaction and pride, individual reorganization, and increased rewards, and it helps HRD objectives be met. Most of the successful organizations try to provide a combination of intrinsic as well as extrinsic rewards to their employees. For instance, ITCs human resources philosophy enables them to deliver high quality performance and reward talent with competitively superior compensation. Similarly BSES Ltd. “Conifer’s Meritorious Performance Awards” to encourage employees to contribute to progress, prosperity

and growth of organization. So, it motivates the employees to improve their capabilities to become eligible for such intrinsic rewards (i.e. Performance awards etc.) Rewarding employees' performance over and above their normal wages and salaries is considered to be an important task of the HRD. To check frustration is rewarding the efficient workers for their work which may be known as incentive.

It will lead to better utilisation of human resources at all levels which is easy, cheapest, quickest and surest means of increasing productivity. Rewarding employee performance and behaviour is an important part of HRD. Organizations with better learning, training and development systems, reward and recognition, and information systems promoted human resource development climate:

3.6 HRD PROCESS

Human resource development mechanism or sub-system or instrument leads to development of desired human resources development climate or process. Human resource development culture is an essential part of the organizational climate HRD (Human resource development) processes facilitate the development of an HRD (Human Resource Development) culture in the organization. In the words of T.V Rao, Human resource development climate is the perception. The human resource development experts use the term "OCTAPACE" to express the important features of the human resource development climate.

Human resource development climate in an organization is reflected by its role, clarity, openness, trust, team-work proactive orientation, planning of development of every employee etc. HRD departments are a subsystem that serves as an instrument for instilling HRD culture and achieving its' goals. Human resource development climate and processes are dependent on personnel policies, top management style, investments on HRD, top management commitments. Line manager's mechanism and human resource development processes and climate can be explained as under:

- a) HRD mechanisms are the most useful instruments/interventions to develop a healthy HRD climate.
- b) HRD instruments are used to develop desired human resource development processes. For instance, performance and potential appraisal help to assess and determine the competence required for job performance. Role analysis exercises result in role clarity in the organization. Training and potential development exercises have proactive orientation. Job enrichment is a deliberate exercise of upgrading of risk and responsibility in the work-group.

OD exercises help to manage change and problems in the organization. It promotes openness, effectiveness, communication, inter-departmental collaboration in the organization. It aims at providing a climate for human growth and development.

- c) HRD climate is dependent on human resource development mechanisms as well as personnel policies, top management styles etc.
- d) HRD mechanism and personnel policies should be periodically reviewed to create/develop desired human resources development climate.

Human resources development facilitates development and enables culture in an organization. Employees that are motivated to take initiative and risk are more likely to experiment, innovate, and make things happen when they work in an enabling atmosphere. Certain elements must be investigated and taken into consideration attentively in order to archive and develop a good HRD programme. So, the following prerequisites are essential:

3.6.1 APPROACH TO TOP LEVEL MANAGEMENT

The main goal of the HRD is to develop the capabilities of each employee as an individual, in relation to his present job and future role. This can be done only having a knowledge of capabilities Obviously this information can be collected by top level measurement by being in touch with the employees at all levels of measurement. Top executives should frequently visit the workplace of the workers and spend time with them. As a result, top-level management must endeavour to understand the skills and difficulties of the organization's employees at all levels. By adopting this approach top management can better utilize the capabilities of the available workforce and create trust among the people of the organization. They also help in reducing the communication gap and resolve grievances, if any, between workforce and management.

3.6.2 COMMUNICATION SYSTEM AND FEEDBACK

A successful implementation also depends on proper communication and feedback systems. Proper communication should be developed and implemented. It should be such which provides all important information to the employees from the beginning to the end. This system should be formal as well as informal. As we know a communication system is connected with feedback so the Importance of feedback should be understood in full and a reliable feedback system should be structured.

- Employee data allows for appropriate allocation and training of staff, tracking of personnel costs.
- Computerization of data accessible and accurate and timely data is essential for good planning.
- Personnel files provide essential data on an employee's work history in an organization.

3.6.3 CONDITIONS FOR GROWTH AND DEVELOPMENT

Human resources are the most important assets in the organization. They can be developed to an unlimited extent. For that a healthy organizational climate (openness, trust collaboration) should be developed. The progress of the company must be shared with the employees; their efforts should be appreciated and recognized by giving those rewards, promotions, incentives etc. Their excellence should be rewarded in an appropriate and acceptable way. In typical or extraordinary conditions, a balance can be delivered at the same time. So a balanced environment among all these should be maintained, so as to create the conditions for development of workers.

3.6.4 INVESTMENTS IN HRD PROGRAMME

There are no shortcuts to success. The maintenance of a healthy working climate and the development of its human resources is a very complicated process. So to ensure the desired results the top level management and HRD professionals must invest proper time, funds and energy in each and every programme related to HRD. The top level management must clear the path, create a development climate and help the employees to realize their potential.

- Budget allows for consistent HRD planning and relating costs to results.
- HRD Staff dedicated to HRD are essential to policy development and implementation

3.6.5 PROPER UTILIZATION OF HUMAN RESOURCE SKILLS

HRD managers must try to make proper utilization of available and potential human resource skills. Manpower planning and right sizing of human resources may be used for this purpose.

- Mission and Goals Mission provide direction to HRD activity and to the work of the staff.

- HRD planning allows HRD resources to be used efficiently in support of organization goals

3.6.6 DECENTRALIZATION

There should be a proper system of involvement of persons of all levels of management. If the proper importance is given to each person this creates the sense of belonging and commitment among the worker. Although major policy decisions may be centralized, other important decisions should be made with the involvement of various subordinates. A balanced approach should be maintained in the centralization and decentralization.

3.6.7 PERSONNEL POLICY AND PRACTICE

Job classification system allows organizations to standardize the jobs and types of skills it requires. Compensation and benefits system allows for equity in employee salary and benefits, tied to the local economy. Recruitment, hiring, transfer and promotion assure fair and open process based on candidates' job qualifications. Orientation program helps new employees to identify with the organization and its goals/values. Policy manual provides rules and regulations that govern how employees work and what to expect. A discipline, termination and grievance procedure provides fair and consistent guidelines for addressing performance problems. A union relationship promotes understanding of common goals and decreases adversarial behaviours. Labour law compliance allows organizations to function legally and avoid litigation.

3.7 HRD OUTCOME VARIABLES

Human resource development mechanism generates human resources development climate and processes generate human resources development outcomes. Thus human resource development outcome is the result of human resource development mechanism and human resource development processes. Better human resource development climate results in better human resource development outcomes e.g. more competent, satisfied and committed employees besides these outcomes, it results in better utilization of internal resources, team-work and better organizational health. An organization with competent and satisfied people is likely to be more effective in comparison development and outcome in the matrix is explained as under.

- HRD outcomes are the result of HRD climate and processes.

- Better HRD climate and processes result in more competent, satisfied and committed people.
- HRD processes are many whereas HRD outcomes are limited.
- HRD outcomes generate and determine organizational effectiveness.
- An organization with competent and committed workers is likely to be more effective.
- An organization with poor HRD outcomes is the result of poor HRD climate, poor policies and commitment of its top management. It shows that there is need for improvement in organizational climate and processes.

3.8 ORGANIZATIONAL EFFECTIVENESS DIMENSIONS

People are the most important assets of the organization; it is not merely a decorative place in the hardware of an organization. They must be treated as human. The great or big organizations have always had good faith in their manpower and their capabilities so it is very important to get the people who are winners but it is even more important to retain those winners. Due to acceptance of this concept human resource development is in the limelight these days, but the question is what does the HRD means at macro and micro level? The answer to it is not as easy as seems to be. HRD is essentially treated as a collective human and team effort, directed towards improving human abilities available in a given environment. It is mainly related with the development of inner potentials of people working with the organization. One more objective of HRD is to develop the innovative or newer capabilities in the people so as to make them competent to face the present as well as further challenges. HRD concept applies to both macro as well as micro level.

3.8.1 MICRO LEVEL

For any dynamic and growth oriented unit HRD activities play a very crucial role. In the present fast changing environment, organizations cannot think of its survival without human resource development. It is like a small wonder for the organization with the help of which a unit can achieve its objective in an effective way. Normally, HRD at micro level performs the task of organization's manpower planning, selecting, training, performance appraisal, development potential appraisal compensation, organizational development etc. All these activities collectively provide a newer Science in the organization. The engagement of human resources development in all of the aforementioned areas benefits the company in the form of improved manpower. Development here is related with the development of new capabilities among

employees of the concern. They will be able to attain and face future sub and challenges if they do so.

3.8.2 MACRO LEVEL

At the macro level, HRD is related to the development of people and nation as a whole. This takes wealth, Capabilities, skill, activities of people which are more useful to the development among them and nations for overall development as well as while calculating the national income Indicators like national income, economic planning. In spite of the importance of HRD at level it has not achieved more popularity at the national or macro level. One thing however is certain that human resource development is a collective human effect directed towards recognizing and improving the human abilities available in a given environment.

So to achieve the benefit of human resource development it is essential to understand the micro and macro concepts of human resources development. Organizational effectiveness is critical to success in any economy. In order to achieve increased and sustainable business results, organizations need to execute strategy and engage employees. To create organizational effectiveness, business leaders need to focus on aligning and engaging their people, the people management systems, and the structure and capabilities (including organizational culture) to the strategy.

- A “fit for purpose” structure where people understand expectations and accountabilities
- People systems and processes that drive the right behaviours
- Capable and credible leadership
- A positive work environment

3.8.3 RIGHT MANAGEMENT’S ORGANIZATIONAL EFFECTIVENESS FRAMEWORK

The challenge for businesses seems simple: align and engage your workforce to a clearly articulated strategy. However, this can be difficult to achieve. It requires a holistic, coordinated effort to put a number of key elements or building blocks in place. The key elements of organizational effectiveness, as illustrated in the figure below, are needed to drive employee engagement in an organization. Engagement influences the customers’ experience and, ultimately, the overall performance of an organization in terms of productivity and profitability. There are some fundamental

relationships between organizational elements that work together to deliver a well-executed strategy through an engaged workforce, resulting in a great customer experience, high performance, and profitability: How do you achieve organizational effectiveness? Through an integrated framework that address the following organizational effectiveness elements:

- **Strategy:** The role, purpose, and strategic direction that summarizes the work of the organization and/or division being clear and appropriate.
- **Structure, Capacity, and Capability:** Capable people doing the right work through a “fit for purpose” structure and clearly described role accountabilities and relationships.
- **Leadership:** Leaders have the capability and capacity to drive sustainable business success.
- **People Systems & Processes:** Leaders need to be supported by good people systems and processes. These systems and processes work in organizations to send messages, share information, and make well-informed decisions across the business. Organizational processes and systems are an extension of leadership, creating consistency and trust.
- **Culture & Values:** A set of shared, basic assumptions about how to behave and carry out work within the organization that is aligned to business strategy. The systems, symbols, and behaviours that leaders and other employees are exposed to within an organization must align to the desired culture to achieve the business strategy.
- **Employee Engagement:** There are a lot of engaged employees whose hearts and minds are in sync with the job they do and the company they work for. Engaged employees are:
 - a) Satisfied with their current job and their organization as an employer.
 - b) Committed to making the job and organization successful.
 - c) Proud of their organization and the work they do.
 - d) Willing to positively talk about their job and the organization.
- **Customer Experience:** High levels of customer satisfaction and loyalty achieved through employees being aware of customer needs, acting on customer feedback, and being supported to deliver what customers require. Organizations are environmentally responsible and support the community. Integration of the first

five elements will produce powerful and mutually reinforcing results: a true performance-based, customer-focused culture. No single initiative can create organizational effectiveness. Excellence is required across the full range of organizational effectiveness framework elements if competitive strength is to be achieved.

3.9 SUMMARY

HRD matrix identifies the interrelationships between HRD instruments, processes, outcomes and organizational effectiveness. HRD instruments include performance appraisal, counselling, role analysis, potential development, training, reward system, job enrichment, etc. These mechanisms may vary depending upon the size of the organization, the commitment of the top management, the environment, the culture and climate, the perception of the people, technology used, methods employed by the competitors, etc. It is in the interest of the organization that the top management should give due weightage to these factors to keep the workforce motivated all the time providing challenging jobs and designing career planning and suitable compensation packages so that trained employees may not leave the organization. A comparative analysis reveals that the organizations in the manufacturing sector could provide a better HRD climate than service and IT sector organizations. Overall HRD climate in India has improved marginally over a period of time. The general indifference on the part of employees to their own development and a good deal of lip sympathy and intellectual positivism to HRD but no emotional investment continue to contribute to this situation. The top management in the respective organizations might therefore adopt human resource practices by investing a considerable part of their time and other resources to ensure the development of employees.

3.10 SELF-ASSESSMENT QUESTIONS

- Q-1.** Discuss the HRD matrix and Interrelationship of HRD Matrix.
- Q-2.** What do you understand about HRD Mechanisms? Explain.
- Q-3.** Explain the performance appraisal and management.
- Q-4.** Elaborate the training, development and potential appraisal.
- Q-5.** Discuss the feedback and performance counseling.
- Q-6.** What are role analysis and career planning?
- Q-7.** Explain the job rotation and job enrichment.
- Q-8.** Discuss the quality circle and reward system.
- Q-9.** Elaborate the HRD Process.

- Q-10.** What are the approach to top level management and communication system and feedback
- Q-11.** What are the conditions for growth and development and investments in the HRD programme?
- Q-12.** Give proper utilization of human resource skills and personnel policy and practice. Explain it.
- Q-13.** Discuss the HRD Outcome Variables.
- Q-14.** What are the Organizational Effectiveness Dimensions? Explains.
- Q-15.** Discuss the micro level and macro level of organizational effectiveness.
- Q-16.** What do you understand about right management's organizational effectiveness framework? Explain.

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UNIT 4: HRD INTERVENTIONS

UNIT FRAMEWORK

- 4.1 Objectives
- 4.2 Introduction
- 4.3 Human Resource Development (HRD) Interventions
- 4.4 Evaluation Centers and Competency Testing
- 4.5 Proficiency
- 4.6 Preparing and Development Roles and Competencies
- 4.7 Human Resource Challenges
- 4.8 Effective HR Management
- 4.9 Summary
- 4.10 Self-Assessment Questions
- 4.11 Text and References

4.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the human resource development (HRD) interventions
- To determine the evaluation centers and competency testing
- To elaborate proficiency, preparing, development roles and competencies
- To explore the human resource challenges and effective HR management.

4.2 INTRODUCTION

Organize the abilities of the entire organization. Make use of the participatory cycle. To begin the exercise, use facilitators. Experts in conducting science are required for this mediation. Find information about the facilitator's abilities. The facilitator ought to have aptitudes in distinguishing information mentalities, abilities, and information on competency planning strategies. Competency planning without anyone else is a participative cycle. When planned and the capabilities are utilized for association wide mediations it turns into an intercession. Competency planning and structuring

competency based HR frameworks is probably the most robust giving intercessions whenever taken to a sensible end. By excellence of its linkages with other HR frameworks it is an entire framework including exercise.

4.3 HUMAN RESOURCE DEVELOPMENT (HRD) INTERVENTIONS

Human Resource Development (HRD) interventions are a basic capacity inside the HR the executives division. The association's strategic capacity to maintain a bit of the general business shapes the concept of competence as well as its degree. McLagan characterizes it as "the incorporated utilization of preparing and advancement, association improvement, and profession improvement to improve individual, gathering, and authoritative adequacy. Numerous investigations have distinguished jobs, yields, and capabilities for HRD experts.

4.3.1 WORKER SELECTION

Worker choice is picking the opportune individual for the activity. The cycle starts with an exact depiction of the abilities and additionally information, encounters, and individual qualities expected to achieve the activity undertakings. Important hotspots for ID are proficient individuals and individual perceptions of able entertainers. The determination cycle contrasts in multifaceted nature among associations. Some fill positions rapidly and modestly by scrutinizing resumes and application structures. Different associations select likely representatives by expound, and some of the time expensive, determination frameworks including position related tests, a progression of meetings, and personal investigations. Choices with respect to choice are significant for powerful hierarchical execution.

4.3.2 REMUNERATION AND BENEFITS

Remuneration programs are money related and in-kind installments utilized by associations. The objectives of remuneration strategies incorporate compensating representatives' previous exhibitions, staying serious in the work market, keeping up pay value among representatives, propelling workers' future exhibitions, keeping up the financial plan, drawing in new workers, and diminishing superfluous turnover. Pay ordinarily incorporates pay for work and execution, incapacity salary, conceded pay, wellbeing, mishap, and risk insurance, loss-of-work pay, and continuation of spousal pay when there is a misfortune because of a representative's migration.

Advantages are the non-money part of the pay program that is expected to improve the nature of work-life for an association's representatives. Advantages incorporate a lot of lawfully required installments (e.g., FICA, joblessness remuneration, retirement, and investment funds plan installments, 401k, benefit sharing, stock rewards, health advantage installments, and so forth.) Benefits were once seen as blessings from the business; they are currently viewed as privileges.

4.3.3 INSPIRATION (INCENTIVES AND REWARDS)

Motivating forces connect to pay with a norm of execution. They are future-arranged with the target of instigating wanted conduct. They can be short or long haul and they can be attached to individual or potentially bunch executions. There are varieties in motivations. Money related impetuses incorporate pay, differential compensation, stipends, downtime with pay, conceded salary, loss-of-work inclusion, and different perquisites (item tests, a business ledger, charge administration, lawful assistance, an organization condo, club enrollment, free lodging, stopping benefits, stock reward, and so forth.). Nonmonetary impetuses incorporate attractive working conditions, preparing, and satisfactory gear and materials. Instances of the executive's motivations are participatory objective setting and dynamic, and vocation openings.

Prizes can change and strengthen conduct. Skinner's examination demonstrated that compensated practices are bound to be rehashed. Prizes should be opportune, explicit, and coordinated to the inclinations of the individual and the accomplishment of objectives. Rewards can be formal, for example, open acknowledgment, blessing endorsements, and so forth, or casual, for example, field trips. Nelson has inventoried in excess of 1,000 different ways to compensate workers. Wilson recommends that prizes ought to be SMART: explicit, significant, reachable, solid, and ideal.

4.3.4 EXECUTION APPRAISALS

Execution evaluations assist people with dealing with their exhibition by giving them input. Associations likewise have execution evaluation programs that give models to compensation choices, advancement, and improving position execution. Gohrman talks about the numerous possible advantages of normal execution evaluation: increment in representative confidence and inspiration to perform viably, work explanation, correspondence among worker and rater, more clear authoritative objectives, and better human asset arranging. Morrissey recommends that some certain focal points of execution evaluations are expanded likelihood of advancement for

good execution, diminished probability of accepting unwanted tasks, away from administrator's desires, and more prominent individual prize and acknowledgment for meeting those desires. He additionally observes benefits for the association in diminished turnover, decreased risk for possible legitimate activity, improved general efficiency, improved hierarchical outcomes, and more noteworthy appeal to likely fresh recruits. Exploration proposes that the exhibition audit ought to be around an hour long and led as a shared conversation.

Instances of execution examination techniques utilized by associations incorporate agendas, weighted agendas, realistic rating scales, blended scales, constrained decision scales, and basic occurrences (composed depictions of an exceptionally compelling or profoundly insufficient presentation), and typically tied down rating scales (BARS). The HRD writing is loaded up with positive procedures for leading viable execution audits. It additionally reports accounts of nervousness, dissatisfaction, vulnerability, and equivocality when execution evaluations are dealt with inappropriately.

4.4 EVALUATION CENTERS AND COMPETENCY TESTING

An appraisal community is "where normalized determination techniques are applied, ordinarily to isolate the board from non-the board applicants and chief competitors from center directors." Candidates are assessed and chosen by testing instruments to decide whether they are fit for performing foreordained aptitudes. Others consider it to be where prepared proficient evaluators watch, record, and assess how an applicant acts in reenacted work circumstances. In-bin methods, leaderless gathering conversations, pretending, and discourse making are regular practices for testing position applicants.

It is significant for an association to contemplate its business to recognize and appoint loads to the information and aptitudes every one requires. Testing individuals for present place of employment aptitudes, or for qualities or abilities required for future execution, enables the association to satisfy its key objectives for HR. Meetings, mental profiles, knowledge testing, and so forth, and are once in a while utilized in competency testing.

4.4.1 PROGRESSION PLANNING AND CAREER "PATHING"

Progression arranging is a methodical ID of representatives for senior administration positions. It includes long haul arranging and is regularly formatively situated.

Progression arranging is probably going to include contribution from a few supervisors and proposals for experiential tasks to guarantee the capacity of the contender to fill positions as they open.

A vocation is a succession of occupations, typically including related errands and encounters that representatives travel through after some time. For instance, a vocation in a school setting may incorporate the places of educator, advisor, division head, head, focal office chairman, and administrator. Vocation ways are commonly vertical lines of movement; be that as it may, they can incorporate flat tasks too. This is progressively the situation as the board positions vanish.

4.4.2 AUTHORITY AND EXECUTIVE DEVELOPMENT

Authority advancement is important at all degrees of an association. High-potential workers get exceptional preparation and experience that convert into individual and expert development. Initiative advancement incorporates adapting to changes that happen during the existence pattern of an association, from development to decrease. It is about changes in the outside condition, explicitly about revising needs and toppling presumptions about how the business works and the job of authority.

Chief improvement manages the association's vision, qualities, and business methodologies, and the objective is to create pioneers who can guarantee the vital advancement of the association. Leadership and chief improvement are effective when the cycle is inserted in the association's HRD endeavors.

4.4.3 THE EXECUTIVES AND SUPERVISORY DEVELOPMENT

The executive's improvement is "the instruction, preparing, information move, and, eventually, the abilities of those individuals who are characterized as supervisors by their separate associations." It is tied in with adapting to unpredictability. Compelling administration improvement underpins the association's crucial objectives, destinations, and market position. Administrative advancement is intended for bleeding edge chiefs who work with and through non-the executives' representatives to meet the goals of the organization and the necessities of its representatives. It is more extensive than the board and chief turn of events. Bittel and Newstrom express the one of a kind jobs the HRD and PT faculty play in administrative improvement as follows:

- Acknowledgment of the inborn capabilities, restrictions, and desires of administrators

- Real information on explicit skills needed to finish work tasks
- Affectability to the jobs and connections forced on the managers by the organization
- Acknowledgment of the proceeding with advancement of the director's job.

4.5 PROFICIENCY

A person's knowledge, particularly his or her reading and writing abilities, is referred to as proficiency which empowers the individual to work in the public arena. Proficiency programs are endeavors by organizations to improve working environment correspondence, work comprehension, and occupation ability advancement. Proficiency rates are frequently straightforwardly associated with the nature of work and employment execution. Raising the proficiency abilities of laborers is probably going to expand efficiency and lower creation costs.

1. Retirement Planning: To have positive encounters in retirement, individuals must prepare. Never again is retirement taken a gander at as withdrawal, retreat, and isolation. Current suggestive logical reasoning recommends new words for retirement: reorientation, recommitment, reevaluation, involvement, recovery, recharging, redesign, redirection, reinvestigation, renewal, exploration, and then some. Retirement arranging is typically essential for an advantages bundle. Individuals need to think about discovering low maintenance work (should they need it), lawful issues, lodging plans, wellbeing and health, and so on.

2. Wellbeing and Wellness: Wellbeing and health programs are ordinarily offered by associations and can serve to upgrade worker assurance and efficiency and to lessen non-attendant rates and medical care costs. As per the National Centers for Disease Control, in excess of 60 percent of all infection is brought about by way of life hazards. The most remarkable way of life hazards are smoking, mindlessness to eat less, absence of activity, substance misuse, back issues, mental pain, inability to utilize seat straps, and unnecessary pressure. Representatives who take an interest in working environment health programs will in general have better mentalities and conduct, showing more unwaveringly, eagerness, inspiration, and vitality.

3. Circumstance: The earth for protection and budgetary administrations was turning out to be progressively serious and, some would state, even threatening. Thus, it was particularly significant that Aetna held predominant directors; with much more grounded aptitudes in territories, for example, critical thinking and decision making,

initiative, and building groups. For the main 10 places of the organization, the longest residency of any chief had been six and a half years. This turnover rate had brought about a decreased ability pool at lower levels. The organization understood that numerous positions couldn't be effectively filled from inside due to an absence of interior broadness or profundity of aptitude. As rivalry in the business developed, solid administrative abilities turned out to be more basic.

4. Intercession: Since Aetna as of now had an arranging and course setting apparatus called the Aetna Management Process (AMP), it was applied to the improvement arranging measure. AMP is a deliberate, seven-phase arranging and appraisal measure that explains the association's basic achievement factors, checks and depicts nature, perceives holes among current and attractive execution, sets goals, creates and actualizes activity steps, and screens execution. Aetna chiefs chose to utilize execution innovation to build up a far reaching human asset reaction plan dependent on recognized capabilities that would be required later on. Remembered for this efficient reaction were:

- Distinguishing proof of the executive's capabilities.
- Improvement of cycles to recognize execution and competency holes.
- Formation of advancement plans and recognizable proof of instruction programs.
- Structure and distribution of an advancement arranging guide that would integrate the cycle for the whole association.

5. Results: This activity was first presented just a couple of years back, yet primer outcomes demonstrated that:

- There were more engaged and explicit advancement plans for workers.
- There was expanded comprehension by representatives and their chiefs of how to execute and screen these advancement plans.
- More individuals were choosing preparing and instruction programs dependent on distinguished expertise or information holes comparative with explicit abilities.
- Corporate wide seat quality was improving and execution holes were all the more plainly comprehended and effectively chipped away at.

Zero in on an individual's skills and advancement was presently treated as genuine business all through Aetna. Furthermore, the organization started a total redesign

measure. The new cycles empowered the organization to effectively overhaul the entirety of its positions and redeploy individuals to those positions in under one year.

4.6 PREPARING AND DEVELOPMENT ROLES AND COMPETENCIES

In 1978, Pinto and Walker led the primary competency study supported by the (ASTD). They led an investigation of experts preparing and improving jobs and skills. The motivation behind their investigation was twofold. The main intention was to characterize the essential aptitudes, information, understanding, and different properties required by experts for the viable execution of preparing and improvement exercises. The subsequent objective was to give a posting of exercises that could be assembled so a model and set of abilities for preparing and improvement (T&D) experts could be made. The analysts sent polls to the ASTD individuals in the United States, Canada, Mexico, and different nations. From 2,855 returned polls, 14 exercises were recognized, and a model that depicted the essential regions of T&D experts was extrapolated from the information (Pinto and Walker, 1978).

There were barely any restrictions in this examination. It was restricted to the qualities of T&D professionals in ASTD as it were. Furthermore, this examination was restricted to characterizing just the current situation of the T&D field, and not the future bearing of the field.

4.6.1 MODELS FOR EXCELLENCE: 1983

McLagan's (1983) Models for Excellence analyzed the Training and Development (T&D) field by characterizing its present position and future headings. Patricia McLagan completed a progression of studies that zeroed in on T&D and the mentor's job. She zeroed in on how T&D was identified with and not quite the same as other HR strength zones, and what information and abilities empowered individuals to work in the field. This investigation addressed the primary current endeavour to characterise T&D. It likewise settled the configuration for all the competency model examinations that have come since (Bernthal, et al. 2004).

There were a few gatherings that partook in the examination. For example, the investigation Team included 12 experts. The ASTD Professional Development Committees comprised 18 individuals. The Study Review Board was framed by a gathering of 36 senior experts from an assortment of areas: business, government, the

scholarly world, not-revenue driven associations, counseling, and instructional frameworks organizations.

The system for accomplishing each exploration objective was fundamentally the same as. When all is said and done, the Study Team gave a primer rundown that was embraced from past examinations or books. At that point, the rundown was assessed and overhauled in an iterative poll measure by the Study Review Team. This Study Team and the Professional Development Committee at that point made decisions, checked on, and broke down the outcomes. At long last, the altered rundown was introduced (McLagan, 1983).

There were nine significant aftereffects of McLagan's (1983) study: (a) the Human Resource Wheel, (b) the meanings of T&D, (c) the future powers, (d) 15 T&D jobs, (e) 102 basic yields of the T&D field, (f) the competency model for the T&D, (g) the job profiles, (h) job bunches, and (I) the jobs/skills lattice.

McLagan (1983) noted potential ramifications coming from the aftereffects of the examination to: business, ASTD individuals, government and non-benefit association pioneers, T&D professionals, scholastic network, and people inspired by T&D vocations. Notwithstanding, the examination didn't depict territories for future examinations.

4.6.2 MODELS FOR HRD PRACTICE: 1989

Following six years, since the concentration in the Training and Development (T&D) field had moved consecutively from T&D to Human Resource Development (HRD), the ASTD's Board of Directors chose to refresh the 1983 Models for Excellence (McLagan, 1983). McLagan (1989) explored the execution of competency speculations into reasonable devices inside the preparation and advancement network. The 1989 distribution of Models for HRD Practice (McLagan, 1989) research was supported by the ASTD that tended to the requirement for a typical language on abilities among HRD experts. This 1989 examination was momentous in light of the fact that it extended the calling past preparing and advancement to incorporate vocation improvement and association advancement (Bernthal, et al. 2004).

The primary motivation behind the 1989 Models for HRD Practice study was to distinguish a rundown of conceivable future powers for H.R.D. work, yields for every job, a rundown of value necessities for each yield, a rundown of moral issues, and a rundown of skills required for the HRD experts.

A group, driven by McLagan and a nearby ASTD section, built up a draft model of HRD. That draft included topic specialists' conclusions from profession improvement, association advancement, and preparing and improvement territories. This first draft of the poll was sent to 1,057 HRD experts, and 705 surveys were returned. After update and change, the subsequent draft was sent to 1,010 specialists and 473 surveys were returned.

After the examinations of the outcomes from the second draft of surveys, the last HRD model was characterized. The aftereffects of the examination introduced: (an) a meaning of HRD, (b) a place of HRD through a Human Resource Wheel, (c) 13 future powers that influence this field, (d) 74 yields of HRD work, (e) quality necessities for each yield, (f) 35 capabilities, and (g) 13 moral issues for HRD. The significant development of this model contrasted with the 1983 Model for Excellence (McLagan, 1983) was the difference in job classes and the expansion of new capabilities.

McLagan's 1989 investigation profoundly affected the HRD field. In the United States, numerous HRD graduates just as those in declaration programs built up their educational plans dependent on McLagan's models (Athey and Orth, 1999; Chen, 2003; Gangani, et al. 2006; Khalek, 2007; Paprock, 1996; Yoo, 1999). This model was additionally the beginning stage for considering jobs, capabilities, and yields of experts in numerous nations on the planet (O'Brien and Thompson, 1999; Valkeavaara, 1998).

At last, McLagan revealed the accompanying three territories for future examination: (a) how to decide the particular impacts of future powers and how people oversee them, (b) how well the quality prerequisites were met in every job profile, and (c) how to evade and control moral issues.

4.6.3 ASTD MODELS FOR HUMAN PERFORMANCE IMPROVEMENT: 1996

As preparation was not, at this point, a good medication to take care of human execution issues in associations, the use of human execution improvement (HPI) was slowly being seen to be significant by HRD experts. In 1996, Rothwell directed an investigation to decide new jobs, abilities, and yields for this field. The reason for the examination was to give the establishment to future work on human execution improvement.

The investigation was led as follow: (a) Phase I, a rundown of skills was ordered from past surveys of writing on HPI, (b) Phase II, the capabilities pertinent to HPI were chosen by topic specialists at ASTD home office utilizing reverse Delphi methodology, and (c) Phase III, the last rundown of HPI abilities was checked by a board of specialists utilizing, once more, a converse Delphi technique. Because of the system picked for this examination, Rothwell noticed that the legitimacy and unwavering quality of the outcomes could be less exact than experimentally based methodologies. No example determination procedure and reaction rate were accounted for in the examination. The aftereffects of the investigation introduced: (an) a meaning of HPI, (b) five key zone patterns, (c) 14 terminal yields of HPI work and 81 empowering yields, (d) 36 center abilities of HPI and 4 jobs of HPI experts, and (e) 15 moral issues influencing HPI work.

4.6.4 ASTD MODEL FOR WORKPLACE LEARNING AND PERFORMANCE: 1999

In 1999, the ASTD distributed the Models of Workplace Learning and Performance (Rothwell, Sanders, and Soper, 1999). Rothwell, Sanders and Soper reevaluated the field by expanding the exploration center from HRD to work environment learning and execution (WLP). They accentuated the significance of understanding students' working environment, taking note of that ability is a component of what educators, coaches and directors think about students and representatives. The motivations behind the investigation were: (a) to distinguish the skills that WLP professionals, senior WLP specialists, and line administrators saw as being required for accomplishment in WLP, and (b) to decide the capabilities that WLP experts, senior WLP experts, and line chiefs saw regarding what might be required for achievement in WLP in five years.

4.7 HUMAN RESOURCE CHALLENGES

Issues, for example, income, rivalry, and income development are the head of the psyche for entrepreneurs and their groups. Alongside these difficulties comes another region numerous organizations battle with human asset executives.

- Human asset the executives (HRM) incorporates:
- Employment plan and investigation
- Workforce arranging

- Preparing and advancement
- Execution the board
- Pay and advantages
- Legitimate issues

HRM can be a test for private companies particularly, which normally don't have a HR division to depend on. They might be restricted to one HR individual, or this obligation may in any case have a place with the CEO. Notwithstanding, entrepreneurs need to comprehend the difficulties confronting them so they're set up to handle HR issues as their organization, and the workforce develops. Here are 10 of the present most normal human asset challenges alongside arrangements you can rapidly execute in your business.

1. **Compliance with Laws and Regulation:** Staying aware of changing work laws is a battle for entrepreneurs. Many decide to disregard work laws, accepting they don't make a difference to their business. Be that as it may, doing so could mean reviews, claims, and perhaps even the downfall of your organization.
2. **Management Changes:** As a business develops, its systems, structure, and inside cycles develop with it. A few workers struggle adapting to these changes. A ton of organizations experience diminished efficiency and spirit during times of progress.
3. **Leadership Development:** An ongoing report demonstrated in excess of 33% of organizations; which are making a normal showing, with best, at executing initiative advancement programs. 36 percent of organizations overviewed in Brandon Hall Group's State of Leadership Development Study conceded that their administration advancement rehearses are beneath normal.
4. **Workforce Training and Development:** Putting resources into the preparation and advancement of lower-level workers is another normal HR issue. A few organizations experience difficulty finding the assets to do as such. Representatives on the bleeding edges are a portion of your hardest specialists, and might not have the opportunity to take an instructional class.
5. **Adapting to Innovation:** Innovation is continually evolving. Organizations must rush to adjust, or hazard being left in the residue by their rivals. The test for entrepreneurs is getting workers to grasp development and learn new innovation.
6. **Compensation:** Numerous organizations are battling with how best to structure worker remuneration. Private companies need to contend with organizations of a comparative size, yet in addition with partnerships with enormous financial plans.

Besides, you need to factor in the expense of advantages, preparation, charges, and different costs, which can go from 1.5 to multiple times the worker's compensation.

7. **Understanding Benefits Packages:** The Affordable Care Act has been a torment point for some independent ventures in the previous barely any years. Rising medical services costs mean organizations should either give these expenses to representatives, or endure a shot to their primary concern. Since great arrangement for assistance can be a main factor for likely recruits, understanding them is vital.
8. **Recruiting Talented Employees:** Pulling in ability is an enormous venture of time and cash. It's hard for business visionaries to adjust between keeping a business running, and recruiting the perfect individuals at the perfect time. What's more, it's difficult to know whether an applicant will really be a solid match until they've worked for you for a while.
9. **Retaining Talented Employees:** Rivalry for gifted representatives is furious. New businesses and little organizations don't have enormous spending plans for retirement plans, costly protection plans, and other expensive things that their bigger rivals do—at any rate, not yet. Representative turnover is costly and can adversely affect business development.
10. **Workplace Diversity:** Numerous ages are ethnic and social contrasts. These are just a few of the numerous factors that make work environment variety a constant challenge for independent ventures. The danger of claims for neglecting to shield representatives from provocation is genuine.

4.8 EFFECTIVE HR MANAGEMENT

Workers are an organization's best resource. Independent companies that put resources into their groups will appreciate quicker development and outpace their opposition. Here are only a couple of more motivations to zero in on viable HRM:

- Makes an interesting working environment culture
- Underlines the principles, desires, and guidelines for the work environment
- Assists everybody with understanding working environment assorted variety
- Encourages correspondence among HR and representatives
- Fortifies the significance of preparing and advancement
- Wipes out worker vulnerability

It's essential to realize normal HR issues so you can set up the correct strategies and methods now. Understanding the complexities of worker benefits, work laws, authority improvement, and different zones will assist you with remaining in front of the opposition and meet your business objectives this year, and in the years to come.

The normal difficulties looked by HRD experts are:-

(a) Culture or mentality: Various nations have distinctive culture and as the world has become a worldwide town HRD Professionals need to confront the social difficulties in various nations or with the workers having a place with the various nations.

(b) Technology or abilities: The pace of mechanical advancement is high and the new advances are supplanting the more established ones rapidly. Same is the situation with strategies and advancements used for preparing. A HR proficient needs to redesign his aptitudes and information to meet the prerequisites of the new age.

(c) Values of conduct: The HRD experts need to modify themselves to the developing new qualities as standard driven administration is turning out to be pattern in the corporate world. Qualities like trust validity, idleness and the easier principles are turning into the cornerstone of numerous organizations.

(d) Knowledge or data: Upgrade of information is additionally a major test for HRD proficient as they need to comprehend the various ways of thinking exhibited at better places on the planet. For instance the way of thinking identified with administration changes significantly in associations from various pieces of the world

(e) Lifestyle or propensities: The way of life of a worker is additionally significant for HRD experts since they need to comprehend the propensities for the representatives and afterward choose the preparation that should be conferred for getting a change in the propensities for the representatives.

(f) Knowledge of new practices: A H.R.D. proficient must know about the new practices embraced by the association around the globe. A H.R.D. expert should think about the practices like pride of individuals, maintenance of workers, authority by models, clear inner voice relationship with representative's investor, merchants, providers, clients and society on the loose.

(g) Environment: An open situation is required for the accomplishment of an association. The authoritative condition ought to have meritocracy, daring, equity,

speed, creative mind and responsibility. It is the activity of the HRD expert to move the representative to perform better ones this condition is made in the association.

4.9 SUMMARY

Human Resource Development is an arrangement of creating in a constant and arranged manner the abilities of individual workers, dyadic gatherings (boss and subordinate), groups and the collective the associations to accomplish authoritative objectives. Human asset improvement can be characterized as a lot of deliberate and arranged exercises planned by an association to give its individuals the chances to learn the important abilities to meet current and future occupation requests. The advancement of human asset improvement incorporates apprenticeship preparing programs, professional instruction projects, and manufacturing plant schools, preparing programs for semiskilled and untalented specialists, human relations development. Human Resource Development is one of the most basic pieces of Human Resource Management clarifies the need that the workforce/representatives ought to be created in such a way, that they demonstrate an advantage for the association. With least assets and less wastages an ideal creation can be completed. HRD causes associations to give learning-related exercises to its workers and bosses. In many associations, in any case, preparing for human asset improvement is part of a bigger human asset, the board office.

4.10 SELF ASSESSMENT QUESTIONS

- Q-1.** How do HRD Interventions help Organization to develop highly competent Staff Management?
- Q-2.** How can you classify the different HRD Interventions?
- Q-3.** What are the Human Resource Management Challenges?
- Q-4.** Write down a few effective HR Management Skills.
- Q-5.** Explain the Human Resource Development Roles.
- Q-6.** Can HRD audit help in business improvement? How?
- Q-7.** What do you understand about Progression Planning?
- Q-8.** Describe Proficiency.
- Q-9.** Describe the HRD Competencies.

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**Uttar Pradesh Rajarshi Tandon
Open University**

MBA 3.11

Master of Business Administration

Block

2

HDR Process, Culture & Climate on ORGANISATIONS

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MBA 3.11: HUMAN RESOURCE DEVELOPMENT

BLOCK 2: HRD PROCESS, CULTURE & CLIMATE ON ORGANIZATIONS

In **Block 2** you would learn about an HRD Process, Culture & Climate on Organizations; Human Resource Development Process; HRD Programs and HRD Audit; HRD Climate and Culture.

Unit 5 discusses Human Resource Development Process; HRD process; steps of HRD process; assessing needs for HRD; designing and developing effectively.

Unit 6 explains HRD Programs; HRD program; essential factors for the success of HRD programmes; HRD programs approach to quality of work life; implementing HRD programs; steps of implementing HRD programs; evaluating and effectiveness of HRD programs; measurement of the effectiveness of the HRD program; and KIRKPATRICK'S evaluation framework.

Unit 7 deals with HRD Audit; HR audit; concepts of HRD audit; types of HR audits; importance of HR audits; merits of HR audit and limitations of HR audit.

Unit 8 deals with HRD Climate and Culture; meaning of HRD climate; organizational climate; need to develop organizational climate in an organization; components of HRD climate; measuring HRD climate; impact of organizational climate; improving the climate of the organization; HRD culture; types, uses, merits and demerits of organizational culture.

UNIT 5: HUMAN RESOURCE DEVELOPMENT PROCESS

UNIT FRAMEWORK

- 5.1 Objectives
- 5.2 Introduction
- 5.3 HRD Process
- 5.4 Steps of HRD Process
- 5.5 Assessing Needs for HRD
- 5.6 Designing and Developing Effective
- 5.7 Summary
- 5.8 Self-Assessment Questions
- 5.9 Text and References

5.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the human resource development process and
- To elaborate assessing needs for HRD
- To determine the training programs in HRD process for needs assessment
- To explore the benefits of needs assessment
- To explain the designing and developing effectively.

5.2 INTRODUCTION

HRD programs and interventions can be used to address a wide range of issues and problems in an organization. They are used to orient and socialize new employees into the organization, provide skills and knowledge, and help individuals and groups to become more effective. To ensure that these goals are achieved, care must be taken when designing and delivering HRD programs. The importance of human factors in any type of cooperative endeavor cannot be over emphasized. It is a matter of common knowledge that every business organization depends for its effective functioning not so much on its material or financial resources as on its pool of able and willing human resources. The product of any manufacturing organization by itself is not enough to win customers. Human resources become even more important in the service industry whose value is delivered through information, personal interaction or group work.

5.3 HRD PROCESS

HRD is a process by which the employees of an organization are helped in a continuous and planned way to.

- Acquire capabilities required to perform various functions associated with their present or expected future roles.
- Develop their general capabilities required to perform various functions associated with their present or expected future roles.
- Develop an organizational culture in which the superior subordinate relationships, teamwork and collaboration among subunits are strong.

HRD Process		
Input		Output
Human Resource	Human Resource Management	Manpower Forecasting
Planning Recruitment And Placement	Optimizing Resources	Planning Recruitment Selection
Introducing HRD		Placement Performance On The Job Training
Knowledge Development Skills Attitude Interpersonal Skills Development Development Of Existing Manpower For Future		Utilizing Of Resources
Feedback		

5.4 STEPS OF HRD PROCESS

HRD is to improve an organization's effectiveness by:-

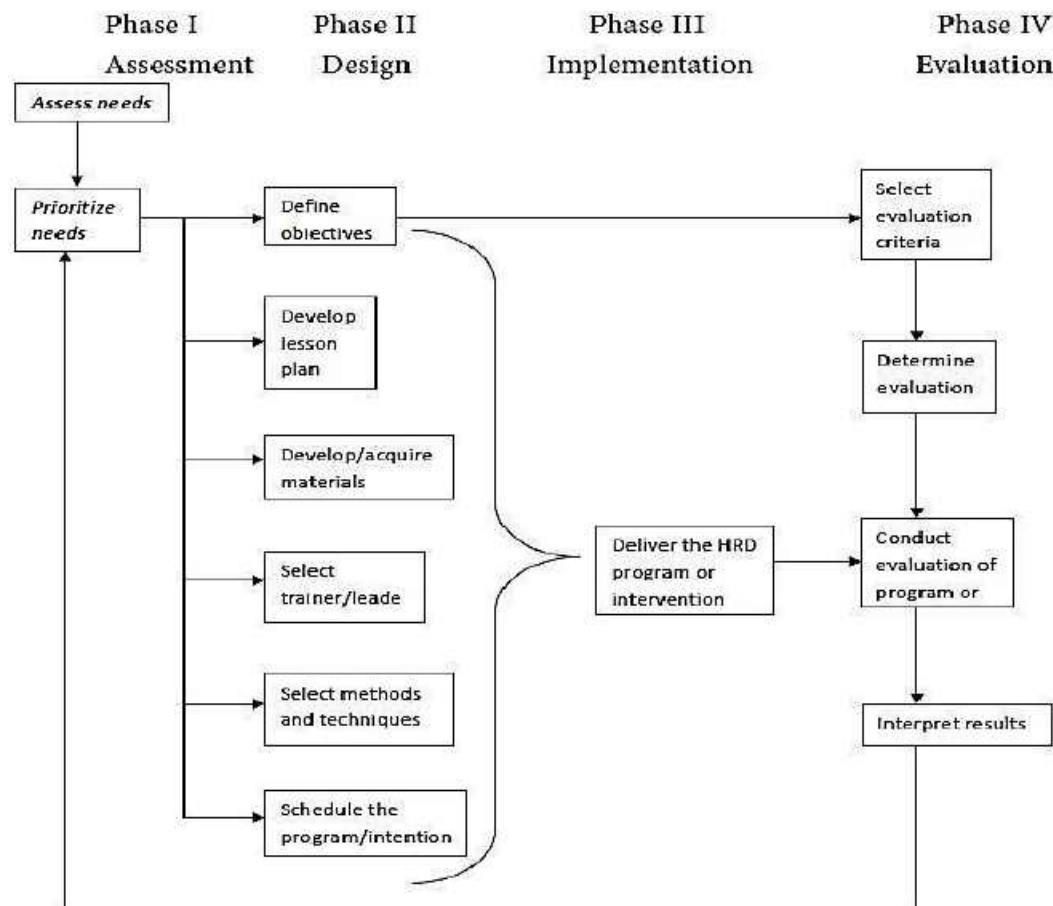
- Solving current problems (like an increase in customer complaints)
- Preventing anticipated problems (such as a shortage of skilled technicians)

- Including those individuals and units that can benefit most as participants
- It provides necessary training and support to the employees of the company.
- Its main focus is to enhance efficiency for better performance.
- It aims to develop the most efficient workforce for the organization to accomplish the targeted goals while serving the customers.

HRD is effective if it successfully addresses some organizational needs through conducting needs assessments. Designing HRD interventions involves a process, which includes a four-step sequence: needs assessment, design, implementation, and evaluation.

1. Assessment

2. Design



Training and HRD process model

3. Implementation

4. Evaluation

Below is the elaborated description of every HRD Stage:

5.4.1 ASSESSMENT

The Assessment in the HRD Framework involves prioritizing the need, understanding and examining the performance of the employees, job tasks and organizational environment. Above all, it is necessary to identify the gap between current competencies and the skills required for the completion of a specific task. This is the first stage out of four stages of the HRD framework. Assessment is the first step that requires identifying the specific skill-set requirement as per the job performance. For as a result after understanding the deficiencies, the prospective employee skill is developed based on measurable knowledge and performance objectives. Analyzing or assessing the training need depends upon what the organization expects from the staff and what it gets. It also discovers to whom the training should be provided, that is whether it be the new employee or the current employee.

- **Need Assessment:** The organization goals and process of reaching those goals are determined through the Need Assessment. It articulates the gap between current skills in the company and the skill required for better performance. There is a distinction between employees' skills and the skills required for successful job completion, as well as the situations in which HRD can be applied. A need defined as either a current deficiency or entirely a new challenge that demands changes in the organization. Identification of the requirement consists of evaluating the individual, job tasks, environment and preferences.
- **Gap Analysis:** The Gap Analysis involves comparing the actual performance with the desired performance. The foremost step is to assess the organizational performance and that of the workforce of the company. It has two parts, namely; current situation and desired situation. The difference between these two is the actual gap analysis that will identify the needs, purpose, and objectives.

5.4.2 DESIGN

The designing of an effective HRD program consists of the integration of business plans and goals of the firm with the HRD process. It involves designing the HRD program and intervention that includes training and development methods. After successfully understanding the needs, there comes the designing of the training program. It involves the training content and the delivery method. With a clear objective, the HRD program is designed such that it can deliver through online or offline training sessions. To Sum up following are the process of integrating HRD in training the employees:

- **Define objective**–The objective to implement a training session should be mentioned beforehand. It is related to the goal of the firm and the skills required achieving.
- **Develop Lesson-plan** –The next step involves the development of the lesson plan. It includes a detailed description of the training course and instructions.

- **Develop/Acquire Material** –Acquiring or accumulating the training material is the next step of the HRD program. These materials are related to classroom training or online training etc.
- **Select Trainer/Leader** –The selection of the right trainer or leader is essential to enhance the skills of employees. It could be the immediate boss or a professional trainer.
- **Selecting Methods and Techniques** –The training could be delivered using any method or technique like a lecture, role play, conference or group discussion or online training technique.
- **Schedule the Program/Intervention** –The scheduling of the final training program done after the accumulation of resources. It is based upon the organizational norms.

5.4.3 IMPLEMENTATION

The implementation involves the successful delivery of the assessment and design phase as effective HRD programs or interventions. The plans or response must be implemented using the most appropriate and reliable methods. The implementation of HRD program is done by delivering most appropriate training sessions as per the requirements of the firm and thus creating a productive learning environment for on-going improvement in the employees. This way, it enables the workforce to perform efficiently towards company goals and objectives. In addition to the above two, this also plays an important role in four stages of the HRD framework.

1. Methods of delivering the training: Once the training needs and goals are decided, the implementation of the training program will begin. The purpose of providing training leads to determining the methods of imparting effective HRD interventions. The content of the training program is of prime importance. It is supposed to encourage employee engagement and thus to improve productivity by making them learn new skills or polishing their knowledge. Following are the methods of the training program:

- **On-the-job Training (OJT):** On the job training is a form of training provided at the workplace. During the training, employees are familiarized with the working environment they will become part of. Employees also get hands-on experience using machinery, equipment, tools, materials, etc. As a result of this strategy, the employee learns the job by doing it. The types of OJT are Job Instruction Training (JIT), Job Rotation, Coaching, and Mentoring.
- **Off-the-job Training:** This method involves the employee to be shifted away from their place of work to provide training. Types of Off-the-job Training are Case Study Method, Management Games, Distance learning, sponsored higher education courses.
- **Apprenticeship Training:** This is a combination of classroom training and OJT. It is a structured process to enhance the skills of an employee with a set of instructions.

- **Distance/Internet-Based Training:** This is a prevalent type of training method that doesn't require the trainer or trainee to meet at one place. Through video-conferencing, telephonic training and over the internet, the practice has been done.
- **Simulated Training:** This method involves the use of simulator equipment where the employee can feel the actual environment and work accordingly.
- **Computer-Based Training (CBT):** This method leads to training the employee as per his time availability. CBT can also provide a progress report from time to time for better engagement.

5.4.4 EVALUATION

Evaluation of the program is the final step of the HRD process and training sessions. The effectiveness of the HRD intervention is measured during this phase. It is a significant and vital activity, so should be performed carefully. The attentive evaluation of the employee's Reaction towards the training program leads to gathering information about the effectiveness of the program. The emphasis on measuring Human Resource Development's impact, it is a crucial and essential step to be performed. This is one of the most important stages of the HRD framework's four stages.

1. Evaluation Purpose: The evaluation's goal is to determine whether the programme accomplishes its objectives and to keep employees engaged throughout the session. However, it leads to strengthening the stronger points in the worker and to overcome the weaker aspects within him. Another purpose is to motivate employees to work with more enthusiasm. It will gather the information related to future participants and further improvement in the program.

2. Measurement of the Effectiveness of the HRD Program: The HRD program's effectiveness measurement ensures the effectiveness of the program against the costing occurred. The application should encourage the employees to work with more engagement and excitement at the same time using the new or the polished skills they have just learned during the sessions. It is also important because it leads to understanding whether the desired goal after training is achieved or not.

3. How to Evaluate Effectiveness: The effectiveness of the HRD program can be measured by evaluating the skills of the employee before training, during training and after training sessions. Other than this, there are few points to be considered for the appropriate evaluation of the HRD program as follows:

- **Select Evaluation Criteria** –The evaluation criteria involves the Reaction of the participants, noticeable changes in participants attitude, skills and knowledge, the difference in performance standard of the participant and at the same time the organizational performance overall.
- **Determine Evaluation Design** –Designing the evaluation study is the second and vital step in making an accurate evaluation of the program. The first method is the Time Series Design method that involves a series of measurements made before and after the HRD program. In addition, the

second method is called the Controlled Experimentation method that is the most used and formal method of evaluation. Above all in this method, a controlled group is organised, and data is collected from training and controlled groups both before and after training, and then the review is done accordingly.

- **Conduct Evaluation of Program or Intervention** –The evaluation of the HRD program is through measuring three basic categories. They are reactions of the participants by understanding their liking or disliking about the session. Learning of the participants related to skill development and knowledge after the meeting. Behavior change is also a noticeable factor. The evaluator should find out how the employee's overall behaviour after participating in the training.
- **Interpret Result** –This is probably the most awaited category of evaluation of the program. The final product is evaluated against the organization's objectives and aims. The evaluator interprets whether the outcome matches with the desired effect or not. It would depend upon the behavior of the participant after the training if a complaint came related to workability after training, Reaction of subordinates and manager and motivation towards the work.

5.5 ASSESSING NEEDS FOR HRD

In simple terms, needs assessment is a systematic process for identifying gaps in performance and uncovering the causes of those gaps, or for identifying future performance needs. This interpretation is based on the concept of performance discrepancies or gaps in the difference between a current level (what is) and a desired level (what should be). Needs assessment is a process by which an organization's HRD needs are identified. It is the starting point of the HRD and training process. The best needs assessments occur on two levels: on a broad organizational level and on a personal individual level. The organization should first align training programs with organizational objectives. This requires the organization to commit to specific goals and critically analyze as to why or why not the organization is meeting those goals. For needs assessment can be assessing:

- An organization's goals and its effectiveness in reaching these goals.
- Discrepancies or gaps between employees' skills and the skills required for effective current job performance.
- Discrepancies (gaps) between current skills and the skills needed to perform the job successfully in the future.
- The conditions under which the HRD activity will occur
- To provide input on how to best structure training programs to enhance organizational performance.
- To specific goals and critically analyze as to why or why not the organization is meeting those goals.

- An organization's goals and its effectiveness in reaching these goals
- Discrepancies or gaps between employees' skills and the skills required for effective current job performance
- Discrepancies (gaps) between the current skills and the skills needed to perform the job successfully in the future
- The conditions under which the HRD activity will occur.

5.5.1 BASIC STEPS TO NEED ASSESSMENT

Three steps to needs assessment: Identify, Analyze, and Research.

- **Identify-** First, those in leadership positions should identify job specific skills that need to be improved within the organization.
- **Analyze-** Second, the audience should be analyzed. The training program should be tailored to fit specific needs of individuals and departments. Knowledge and ability should be considered as well as motivation.
- **Research-** Finally, managers and HR professionals should research to develop specific, measurable knowledge and performance objectives.

5.5.2 BENEFITS OF NEEDS ASSESSMENT

To get a sense of how to perform a needs assessment on the compensation and benefits areas, you can utilize a common tool called the SWOT analysis. This is used to help clarify issues and begin to showcase what needs to be examined more closely and possibly changed to benefit the organization.

SWOT = Strengths, Weaknesses, Opportunities, Threats

You might create a chart for this type of assessment and then fill in the information you gather for each of the quadrants.

1. STRENGTHS:

- What are the strengths of the compensation and benefits plans?
- What is actively working?
- What is the positive feedback from employees?
- What does management like about the packages?
- What are the positive outcomes from using this package?

In an example, you might gather up the information that shows what the benefits and compensation package includes. You might also distribute surveys to the team to see what they have to say that is positive about the benefits. From this information, you will be able to notice what is positive and what is working.

2. WEAKNESSES:

- What are the weaknesses of the compensation and benefits plans?
- What is not actively working?

- What is the negative feedback from employees?
- What does management dislike about the packages?
- What are the negative outcomes from using this package?

Again, a lot of this information can be gained through talking with employees, distributing surveys, etc. You might learn that certain changes have impacted the way compensation and benefits are seen or used. You might find out employees want to have a certain benefit that's not included, but that is included at other companies.

3. OPPORTUNITIES:

- What benefits and compensation packages could be offered in the future?
- What will the benefits of these packages be?
- What has already been shown to help with benefits and compensation strategies?

This is a place where you want to take the information you've already gathered and begin to see where you might go next with the good things, or where you might begin to repair some of the negative attitudes. You might also begin to list areas of opportunity that are specific to compensation and benefits, i.e. new plans, new benefits companies, etc.

4. THREATS:

- What are the limits to benefits and compensation packages?
- What will the benefits cost and add to the budget?
- What is the competition going to do next to compete with our compensation and benefits?

When you can also stop to think about how the benefits changes may cause in the future, you can plan more effectively. While it's true that you can certainly plan for success, it's also helpful to plan for things to not go well. Being aware of threats allows you to see what you may also need to weigh during changes in strategy or compensation.

5.6 DESIGNING AND DEVELOPING EFFECTIVE

Need assessment information is a process of identifying the requirements of an HRD program. It is the initial stage in the HRD and training process. Need assessment is important for the formation of an effective HRD program due to following reasons:

- Need assessment helps in ensuring the organizational goal and effectiveness in reaching those goals.
- It eradicates the gap between employee skills and skills required for a particular job.
- Need assessment assists an HRD manager to learn what and where programs and involvements of staff are required.
- Moreover, it enables an HRD manager to explore the roadblocks and opportunities coming in a way to achieve the HRD effectiveness.

In HRD eight-point strategy for designing and developing effective

1. Establish a written HRD philosophy: A documented HRD philosophy that asserts explicitly that efficient human resource development may increase performance should be established (i.e., change behavior, produce results, and increase productivity). This provides a framework for the HRD program. It also provides a common objective for each of the members of the HRD staff on which to focus their efforts. It will serve as a guide for the program's planning and implementation. Components of an HRD philosophy should include:

- An assessment of the employees and an explanation of what each employee needs to contribute to their own growth,
- A comprehensive statement of the importance of HRD to the organization and its future growth and development,
- A position statement outlining the HRD staff view of the training-learning process and the instructional strategies the department will use, and
- A statement on the relationship of the HRD program to the overall organization and essential decision makers and supporters.

2. Establish HRD Policy: A policy statement should answer questions regarding implementation of release time for training, tuition reimbursement, eligibility requirements, and standards of employee participation. An HRD policy should also include a statement regarding the purposes and long-range outcomes of participation. Attainable learning objectives and corresponding time Frames, organizational structure, authority and funding sources, provision periodic review and revision, utilization of needs assessment data, and record keeping procedures need to be addressed as well.

3. Obtain Support of Top Management: HRD programs can only make a difference if management accepts and encourages the utilization of learning means to increase productivity and improve performance. Top-level management must be involved in planning and implementing HRD learning programs. This support is often difficult to obtain, not so much because of management indifference or lack of concern but because of a lack of awareness of the potential impact that HRD can have on performance and productivity improvements.

4. Integrate HRD into the Long-Range Organizational Plan: HRD programs must become a meaningful part of the organization's long-range planning. If it is not, then the learning programs and training activities may not be related to the needs of the organization. This will prevent the HRD program from having a positive impact on the organization. As a result, both the organization and HRD will suffer.

5. Conduct Extensive Needs Assessments: HRD programs must address the needs of the employees as well as the organization. In order for learning programs and training activities to be effective, they must be based on the employees' needs or the organization's needs or both. HRD managers must ensure that this is the method, that it is followed, and that the HRD team is aware of this basic orientation.

6. Encourage Collaboration: HRD managers should encourage collaborative efforts as a means of obtaining maximum efficiency. This also allows different and divergent perspectives to be incorporated into the HRD program. This will ensure that other departments and divisions are properly represented by the HRD department. It will also help build supporters for the programs who can be called upon during periods of economic uncertainty.

7. Establish Criteria for Participation in HRD Programs: It is important to set selection criteria by which employees are chosen to participate in HRD programs. This accomplishes two objectives. First, it communicates a higher standard of involvement and commitment on the part of the employee. Second, it forces supervisors and line managers to make a greater commitment to conduct employee interviews and performance reviews, to identify performance deficiencies, and to assist employees in developing individual developmental plans. Increased management involvement will mean increased credibility for HRD and a greater return on the organization's investment.

8. Be Introspective But Focus On Results: HRD managers must seek feedback from supervisors, line managers, top-level managers, and employees as well as their staff regarding the quality of their programs, the status of their relationship, barriers to effectiveness, and the level of involvement expected of the HRD department. Both positive and negative findings must be reported. This information must be incorporated into future programs. Regardless, the focus of all HRD programs must be on results, and special attention should be given to obtaining such information. It should also be communicated to essential decision makers as a way of advancing the image of HRD.

5.7 SUMMARY

Needs assessments help HR teams better plan their compensation and benefits strategies today and tomorrow. With the SWOT analysis and proper research, companies will be ready to answer the needs of team members and fill in gaps that could impact productivity and team stability. HRD process and interventions can be used to address a wide range of issues and problems in an organization. HRD interventions are used to address some needs or "gaps" within the organization. A need can be either a current deficiency, such as poor employee performance, or a new challenge that demands a change in the way the organization operates. HRD interventions should be designed and conducted using a four-phase approach: needs assessment, design, implementation, and evaluation. Needs may exist at any of at least three levels, considering the organization, the job/task, and the individual. Strategic/organizational analysis methods depend on the particular organization.

5.8 SELF-ASSESSMENT QUESTIONS

- Q-1.** What is the HRD Process?
- Q-2.** What is the scope of the HRD process in the Design process?
- Q-3.** What are methods of delivery of training in the HRD process?

- Q-4.** What are the steps of the HRD process?
- Q-5.** What is the instrument used in the HRD process?
- Q-6.** Define assessing the need for HRD.
- Q-7.** Define designing and developing effectively in the HRD process.
- Q-8.** Define SWOT.
- Q-9.** Define Evaluation in the HRD process.

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UNIT 6: HRD PROGRAMS

UNIT FRAMEWORK

- 6.1 Objectives
- 6.2 Introduction
- 6.3 HRD Program
- 6.4 Essential Factors for the Success of HRD Programmes
- 6.5 HRD Programs Approach to Quality of Work Life
- 6.6 Implementing HRD Programs
- 6.7 Steps of Implementing HRD Programs.
- 6.8 HRD Programs: Evaluating and Effectiveness
- 6.9 Measurement of the Effectiveness of the HRD Program
- 6.10 KIRKPATRICK'S Evaluation Framework
- 6.11 Summary
- 6.12 Self-Assessment Questions
- 6.13 Text and References

6.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the HRD program and essential factors for the success of HRD programmes
- To determine the HRD programs approach to quality of work life
- To elaborate implementing HRD programs and steps of implementing HRD programs
- To explore the evaluating and effectiveness of HRD programs
- To explain the measurement of the effectiveness of the HRD program and KIRKPATRICK'S evaluation framework

6.2 INTRODUCTION

Human Resource Development (HRD) is the integrated use of training, organizational development, and career development efforts to improve individual, group, and organizational effectiveness. Human resource development program is designed to develop ethical, competent professional leaders who can perform effectively in critical HRD roles, such as administrator of HRD programs, training manager or director, instructor, facilitator, trainer, management development specialist, organization change agent, program designer, or individual career development advisor. The purpose of this evaluation guide is to assess the existence and effectiveness of a Human Resource Development (HRD) Program as a critical factor in the methods and

approach to the development of human capital at the installation level. Work closely with a cohort group of students who are your colleagues in the field. A dynamic well-managed on-line listing of courses is available to employees. This listing includes self-development, distance learning and computer-based training. The program has an established evaluation plan. Program goals and objectives based on identified requirements. Demonstrated administrative processes are to support course management.

6.3 HRD PROGRAM

Human resource development programs are the integrated use of training, organization, and career development efforts to improve individual, group, and organizational effectiveness. HRD develops the key competencies that enable individuals in organizations to perform current and future jobs through planned learning activities.

Objectives of human resource development programs are as follows:

- HRD program objectives focus on providing the workforce with training and learning initiatives needed to successfully perform current and future planned duties.
- To maintain a standard system to evaluate HRD programs and activities is usually accomplished through the continuous training cycle of identifying training needs, planning to meet the needs, providing the training, and evaluating the results.
- To obtain the highest level of performance, Army organizations depend on three enablers: people (workforce), process and technology.
- The HRD program provides another tool for a practical self-evaluation of the HRD program.
- HRD programs may be formal or informal. Regardless of the manner in which the program is structured, it is the outcome of a partnership that involves leaders, supervisors, and advisors.
- Its mission to develop and implement an HRD program rests with leadership and advisors.
- Program initiatives are linked to the strategic plans and goals of the organization.
- Quarterly program reviews of accomplishments/results.
- Initiatives to market training opportunities and training information.
- Development of products and tools used to support HRD processes.
- Effective use of personnel resources in the development and delivery of the program.
- The use of innovative development programs used to meet recruitment needs.
- Program goals and objectives based on identified requirements.

- Enhance your skills and knowledge as an HRD practitioner and obtain a graduate degree.
- Begin a new career in training, organization or career development.
- Work in business, industry, private, non-profit or public organizations as an internal or external HRD consultant.

Important in HRD Program: Need assessment is important for the formation of an effective HRD program due to following reasons: Need assessment helps in ensuring the organizational goal and effectiveness in reaching those goals. It eradicates the gap between employee skills and skills required for a particular job. Needs assessment is a process by which an organization's HRD needs are identified and articulated. It is the starting point of the HRD and training process. A requirements assessment can discover and aid in the achievement of an organization's objectives. Needs assessment is important because it helps an organization determine the gaps that are preventing it from reaching its desired goals. Knowing what is functioning well and what needs to be altered is critical to achieving those goals and building a successful firm.

- HRD Develops Competent HR. HRD develops the skills and knowledge of individuals; hence, it helps to provide competent and efficient HR as per the job requirement.
- HRD Creates Opportunity For Career Development.
- Employ Commitment.
- Job Satisfaction.
- Change Management.
- Opportunities for Training and Development.

6.4 ESSENTIAL FACTORS FOR THE SUCCESS OF HRD PROGRAMMES

HRD is needed to develop competencies. No organization can survive, let alone make a mark, if its workers are not competent in terms of knowledge, skills and attitudes. With liberalization of the Indian economy many changes are taking place in the corporate sector. HRD activities will have to play a very crucial role if the following changes, which are sweeping through industry, are to prove successful.

- 1. Restructuring of Organization and Redefining of Skill Boundaries:** Many companies are restructuring their organization structure by training their management ranks and expanding their span of control. The traditional-functional departmentalization cast around development, manufacturing and marketing are giving place to departments focused on broad classes of products or services. These new departments reduce hierarchy, stress better work, reward creativity and increase receptivity to the customer. The skill sets required of those heading these departments differ from the skills sets required of those heading the traditional functional skills. Unlike the specialist heads of functional departments these heads

are required to be generalists who have worked familiarly with engineering, manufacturing and marketing.

2. **Emphasis on Core Competency with Licensing Era:** With the licence era in India coming to an end, there is a greater emphasis on core competencies. Companies now no longer need to preemptively secure licenses in diverse and related areas to outwit their competitors. There is now a perceptible shift in favor of developing core competency through mergers and demergers, companies want to professionalize their group.
3. **Focus on Quality:** Customers and quality were never considered important, and the entire focus was on quantity of output. Focus on quality is a protected environment with a lot of demand even for sub-standard products, customers and quality were never considered important, and the entire focus was on quantity of output. There is a wave in favor of Total Quality Management which calls for change in the mind-set of workers. In today's global environment; this can come only through massive Human Resource Development efforts at shop floor level.
4. **Tele-Work:** Changes in technology employees can now work from home because of advancements in telecommunications. 'Tele-work' as it is called has freed them from the trouble and inconvenience of travelling over long distances. These changes may make Indian workers redundant at some places. The redundant workers everywhere need to be rehabilitated through training. The changes have to be brought about with a human face. At this point HRD manager has a critical role to play.
5. **Workforce Empowerment:** Workforce empowerment in a country where the "benevolent autocrat" style has long been the most popular. The HRD Manager will face a significant challenge in achieving true staff empowerment. He must develop workers' capabilities to participate meaningfully in the matters concerning them.
6. **Greater Employee Retention and Commitment:** Employee retention has been at the forefront of human resource strategies in recent times. Worldwide, organizations seeking competitive advantage by leveraging human capital have had to learn to hold on the best talents in the organization. In respect of worker commitment (defined as the extent to which workers are behaviorally interested in and attached to the organization), Indian workers rank very low; long term HRD interventions using behavioral understanding are therefore required to establish new work ethics and to build greater employee commitment.
7. **Team Development and Interterm Collaboration:** Team development and interterm collaboration at present workers in Indian organizations are normally a divided lot with differences rooted in intra and inter union conflicts, regions, castes, departments and shifts. Given the fact that the output of one section is dependent on the output or support of the other sections, such differences produce an adverse impact on every organization's efficiency in terms of quantity, quality, cost and delivery. HRD has a critical role to play in building cohesive teams and creating linkages among them.
8. **Building New Organization Culture:** Organizations need to continuously renew and rejuvenate them to face global competition. This needs inculcation of certain values in all workers. These values known by the acronym OCTAPACE i.e.

Openness, Confrontation, Trust, Authenticity, Productivity, Autonomy, Collaboration and Experimentation. Organizations can build OCTAPACE culture only through HRD activities.

Apart from this, the HRD activities in any organization can be realistic when

- a. The organization believes that development of employees is in its own interest.
- b. The organizations will provide opportunities and conditions for the development and optimization of human resources.
- c. The management is willing to invest adequate time and resources for the development of the workers and to personally participate in the development.
- d. Managers have concern for the growth of subordinates.
- e. Workers are willing to avail of given opportunities for growth and receive such help from the managers as may be necessary for the development and improving performance.

6.5 HRD PROGRAMS APPROACH TO QUALITY OF WORK LIFE

Human Resource Development is a comprehensive activity which takes care of manpower requirements of an organization on a continuing basis. The basic objective is to have a pool of dedicated competent managers, supervisors and workers. An employee is likely to develop this vital sense of belongingness; provided he has enough reason to believe that:

- i) The organization cares for him and his family's welfare.
- ii) He is assured to continued job in the organization.
- iii) There are reasonable prospects for career advancement.
- iv) The organization has sound personnel policies where there is scope for fair competition.
- v) His work is considered important enough to enable him to put in his best efforts.
- vi) There is healthy discipline in the organization where genuine mistakes are treated with compassion while deliberate acts of indiscipline are curbed.
- vii) There is a free flow of information.
- viii) There is a sound system for redressal of grievances and resolving disputes.
- ix) The organization encourages informal meetings and get-togethers to develop a more cordial atmosphere at work and after work.

6.6 IMPLEMENTING HRD PROGRAMS

The implementation involves the successful delivery of the assessment and design phase as effective HRD programs or interventions. The plans or response must be implemented using the most appropriate and reliable methods. The implementation of HRD program is done by delivering most appropriate training sessions as per the requirements of the firm and thus creating a productive learning environment for on-

going improvement in the employees. This way, it enables the workforce to perform efficiently towards company goals and objectives.

Organizations now face competitive challenges that necessitate people with current knowledge and ideas, as well as skills and abilities that can deliver outcomes. As organizations compete and change, training becomes even more critical than before. Employees who must adapt to the plethora of changes that organizations face must be trained on a regular basis in order to preserve and upgrade their skills. In order to improve their leadership skills and talents, managers must have proper training and be conversant with the development programme. Once the training needs and goals are decided, the implementation of the training program will begin. The purpose of providing training leads to determining the methods of imparting effective HRD interventions. The content of the training program is of prime importance. It is supposed to encourage employee engagement and thus to improve productivity by making them learn new skills or polishing their knowledge. Following are the methods of the training program:

- **On-the-job Training (OJT):** This method leads to the employee learning the job by actually performing it. The types of OJT are Job Instruction Training (JIT), Job Rotation, Coaching, and Mentoring.
- **Off-the-job Training:** This method involves the employee to be shifted away from their place of work to provide training. Types of Off-the-job Training are Case Study Method, Management Games, Distance learning, sponsored higher education courses.
- **Apprenticeship Training:** This is a combination of classroom training and OJT. It is a structured process to enhance the skills of an employee with a set of instructions.
- **Distance/Internet-Based Training:** This is a prevalent type of training method that doesn't require the trainer or trainee to meet at one place. Through video-conferencing, telephonic training and over the internet, the practice has been done.
- **Simulated Training:** This method involves the use of simulator equipment where the employee can feel the actual environment and work accordingly.
- **Computer-Based Training (CBT):** This method leads to training the employee as per his time availability. CBT can also provide a progress report from time to time for better engagement.

6.7 STEPS OF IMPLEMENTING HRD PROGRAMS

These are seven simple but effective steps of Implementing HRD programs.

1. Assess Organizational Training & Development Needs: The training program to address a new product that requires a total revamping of the production line, or just want some changes to increase the output of an existing product. On both counts, you want employees to understand and adopt themselves to the new production flow and increase their in-line efficiency.

2. Define Your Training Objective: The business goal has been defined. Now let's see how to assess the training requirements for this goal. The training supports the company goal, the roles and responsibilities of your workers in reaching that goal, and the type of training required to guarantee that they can fulfill these roles and responsibilities. So defining this kind of training objective is the most important aspect of the program. It gives the program direction, and also serves as a yardstick to measure success. Put simply, the training will be judged as successful if your employees are able to successfully perform the tasks they were trained for.

- It should be achievable;
- It should be relevant to the training; and
- It should be measurable.

3. Training Program Design: A complete plan that includes learning and instructional methods, content matter, content flow and other such aspects.

- Design keeping in mind the needs of your employees, and not that of the trainer.
- Always create content around your training objective.
- Design using the training principles for adults (see below).
- Introduce as many practical sessions as possible in the program.
- Design an interactive program. Introducing Q & A sessions.
- Break the sessions into short segments.
- Ensure proper flow and connect between the segments.

4. Adopt Training Principles for Adults: The training program has to factor in their unique learning characteristics. They:

- Are experienced, self-motivated and goal oriented;
- Prefer training that helps in their advancement;
- Prefer task oriented and relevant training programs; and
- Have pride in their industry knowledge that needs to be respected.

5. Training Program Development: Start developing on the design and create your training materials, training manuals, training notes for the instructor, PowerPoint presentations, charts, posters and other materials for hands-on practical sessions.

6. Training Program Implementation: This is where all the preparation that you have done so far will actually be rolled out. A few points to remember for effective implementation:

- Schedule training activities well in advance and mobilise the required resources;
- Decide the location for the program based on the size and kind of training rooms you need.

7. Evaluate Your Training Program: The last phase before you can sit back and relax. Evaluate the design and development of the program, the effectiveness of the program, and the degree of success achieved.

- **Employee Feedback:** Get employee feedback about the program. Was it informative, helpful, and riveting? Do they have any suggestions to make it better? Collecting this kind of feedback from employees who participate in training sessions will help you come up with new and improved program versions.
- **Employee Assessment:** This must be done during the training sessions. Evaluate how much employees have actually understood about the training. This can be done using mini quizzes, practical exercises, etc. In brief, you want to make sure they are aware of the training objective and the process to achieve it.
- **Program Assessment:** After your trained employees report back to work, conduct on the job evaluation of the training program to measure its effectiveness in achieving the objectives.

6.8 HRD PROGRAMS: EVALUATION AND EFFECTIVENESS

The success of many human resource programs has been measured in terms of the number of participants involved not with respect to the stated goals and objectives of the program. Human resource developers generally agree that the problem of accurate and effective evaluation is both complex and far from a satisfactory solution. The question is not whether evaluation of training is possible or impossible, but how systematic and comprehensive evaluation can be carried out and by whom and for whom. While evaluation is important for many interest groups, most people think of evaluating HRD as examining the effects training has had on people and their performance. HRD evaluation literature does not deal with the issue of audience, but uses other foci of evaluation. Most HRD evaluations are seen as a dimension of KIRKPATRICKUS evaluation model. According to Kirkpatrick (1975), there are four levels to consider in evaluating training; reaction, learning, behavior, and result (Kirkpatrick, 1975). The design of an evaluation as suggested by Worthen and Sanders (1987) should begin with the identification of all parties who will be affected by the evaluation data. Evaluation always involves multiple and diverse audiences, therefore, an evaluation planned and conducted to meet the information needs of identified audiences is more likely to be used. Identification of audiences and clients would help evaluators think broadly of the purpose that might be served in providing them with the evaluation information, and to determine what information each audience needs and will use. Most evaluations are of concern to multiple audiences, and each audience can be expected to raise a number of different issues concerning the object to be evaluated. Standards of evaluation practice suggest that the scope and selection of information should address questions about the object of the evaluation, and be responsive to the needs and interests of specified audiences.

6.8.1 DEFINITION

Evaluation of the program is the final step of the HRD process and training sessions. The effectiveness of the HRD intervention is measured during this phase. It is a significant and vital activity, so should be performed carefully. The attentive evaluation of the employee's Reaction towards the training program leads to gathering information about the effectiveness of the program. The emphasis on measuring Human Resource Development's impact, it is a crucial and essential step to be performed. This is one of the most important stages of the HRD framework's four stages.

6.8.2 EVALUATION PURPOSE

The evaluation's goal is to determine whether the programme meets the intended objectives and to ensure employee engagement throughout the session. However, it leads to strengthening the stronger points in the worker and to overcome the weaker aspects within him. Another purpose is to motivate employees to work with more enthusiasm. It will gather the information related to future participants and further improvement in the program.

The purpose of evaluation and the identification of audiences should be one of the most important elements of the whole process of HRD evaluation. However, most HRD evaluation literature focuses on reaction and learning of participants suggesting a common value for program success, whereas evaluation theory and standards focus more and more on audience and clients and how they perceive the information needed. The audience can be the person who delivers the training when HRD managers and the CEO of the company are evaluating human resource development programmes. But it is unknown whether these audiences have systematically different perspectives on the value of information for decision making. Evaluation involves the systematic collection of information according to a predetermined plan to ensure that the information is appropriate and useful. Finally, evaluation is conducted to help managers, employees, and HRD professionals make informed decisions about particular programs and methods. For example, if part of a program is ineffective, it may need to be changed or discarded; if a certain program proves valuable, it may be replicated in other parts of the organization.

Zenger and Hargis identified three additional reasons for conducting HRD evaluations:

- If HRD staff cannot substantiate its contribution to the organization, it's funding and programs may be cut during the budgeting process, especially when the organization faces tough times.
- Evaluation can build credibility with top managers and others in the organization.
- Senior management often wants to know the benefits of HRD programs.

6.8.3 CHANGING EVALUATION PHASES

Goldstein suggests that efforts at training evaluation have moved through the following four stages since the 1960s:

- Stage one focuses on anecdotal reactions from trainers and program participants. Judging from the survey results cited earlier, it appears many organizations still operate at this level.
- Stage two involves borrowing experimental methodology from academic laboratories to use for program evaluation. Organizational constraints (including time, resources, and the inability to randomly select participants or use control groups that receive no training) make application of these designs difficult, thus discouraging evaluation efforts.
- Stage Three creatively matches the appropriate research methodology to existing organizational constraints, thus making program evaluation more practical and feasible.
- Stage Four recognizes that the entire training and HRD process affects the organization, and shifts the focus of evaluation from post program results to the entire HRD process.

6.9 MEASUREMENT OF THE EFFECTIVENESS OF THE HRD PROGRAM

The HRD program's effectiveness measurement ensures the effectiveness of the program against the costing occurring. The application should encourage the employees to work with more engagement and excitement at the same time using the new or the polished skills they have just learned during the sessions. It is also important because it leads to understanding whether the desired goal after training is achieved or not. The effectiveness of the HRD program can be measured by evaluating the skills of the employee before training, during training and after training sessions. Other than this, there are few points to be considered for the appropriate evaluation of the HRD program as follows:

- **Select Evaluation Criteria:** The evaluation criteria involves the Reaction of the participants, noticeable changes in participants attitude, skills and knowledge, the difference in performance standard of the participant and at the same time the organizational performance overall.
- **Determine Evaluation Design:** Designing the evaluation study is the second and vital step in making an accurate evaluation of the program. The first method is the Time Series Design method that involves a series of measurements made before and after the HRD program. In addition, the second method is called the Controlled Experimentation method, which is the most used and formal method of evaluation. Above all in this method, a controlled group is organized, and data is collected from training and controlled groups both before and after training, and then the review is done accordingly.
- **Conduct Evaluation of Program or Intervention:** The evaluation of the HRD program is through measuring three basic categories. They are Reactions of the participants by understanding their liking or disliking about the session. Learning of the participants related to skill development and knowledge after the meeting. Behavior change is also a noticeable factor. The evaluator should

find out how the employee's overall behavior is after participating in the training.

- **Interpret Result:** This is probably the most awaited category of evaluation of the program. The final result evaluates based on the objectives and goals set by the organization. The evaluator interprets whether the outcome matches with the desired effect or not. It would depend upon the behavior of the participant after the training if a complaint came related to workability after training, Reaction of subordinates and manager and motivation towards the work.

The evaluator will interpret the result on the scale of the Reaction, learning, and behavior of the participant. In addition, if by any chance, it is not matching with the desired outcome, it probably hasn't achieved its desired goals.

- **Assess training needs:** The first step in developing a training program is to identify and assess needs. Employee training needs may already be established in the organization's strategic, human resources or individual development plans. If you're building the training program from scratch (without predetermined objectives) you'll need to conduct training needs assessments.
- **Set organizational training objectives:** The training needs assessments (organizational, task & individual) will identify any gaps in your current training initiatives and employee skill sets. These gaps should be analyzed and prioritized and turned into the organization's training objectives. The ultimate goal is to bridge the gap between current and desired performance through the development of a training program. At the employee level, the training should match the areas of improvement discovered through 360 degree evaluations.
- **Create a training action plan:** The next step is to create a comprehensive action plan that includes learning theories, instructional design, content, materials and any other training elements. Resources and training delivery methods should also be detailed. The level of training and the learning styles of the participants must also be considered when developing the programme. Many companies pilot their initiatives and gather feedback to make adjustments before launching the program company-wide.
- **Implement training initiatives:** The implementation phase is where the training program comes to life. Organizations need to decide whether training will be delivered in-house or externally coordinated. Program implementation includes the scheduling of training activities and organization of any related resources (facilities, equipment, etc.). The training program is then officially launched, promoted and conducted. During training, participant progress should be monitored to ensure that the program is effective.
- **Evaluate & revise training:** As mentioned in the last segment, the training program should be continually monitored. At the end, the entire program should be evaluated to determine if it was successful and met training objectives. Feedback should be obtained from all stakeholders to determine program and instructor effectiveness and also knowledge or skill acquisition. Analyzing this feedback will allow the organization to identify any

weaknesses in the program. At this point, the training program or action plan can be revised if objectives or expectations are not being met.

6.10 KIRKPATRICK'S EVALUATION FRAMEWORK

The most popular and influential framework for training evaluation was articulated by Kirkpatrick. Kirkpatrick argues that training efforts can be evaluated according to four criteria: reaction, learning, job behavior, and results.

- **Reaction (Level 1):** Here the analysis is made to find out whether the trainees like the program and feel it was valuable? At this level, the focus is on the trainees' perceptions about the program and its effectiveness. This is useful information. Positive reactions to a training program may make it easier to encourage employees to attend future programs. But if trainees did not like the program or think they didn't learn anything (even if they did), they may discourage others from attending the programme and may be reluctant to use the skills or knowledge obtained in the program. The limitation of evaluating HRD programs at the reaction level is that this information cannot indicate whether the program met its objectives by ensuring participant satisfaction.
- **Learning (Level 2):** Here the attempt is to find out as to whether the trainees learn what the HRD objectives meant to learn? This is an important criterion that an effective HRD program should satisfy. Measuring whether someone has learned something in training may involve a quiz or test, clearly a different method from assessing the participants' reaction to the program.
- **Job Behavior (Level 3):** Here the attempt is to see whether the trainee uses what was learned in training back on the job? This is also a critical measure of training success. If learning does not transfer to the workplace, no amount of training can improve employee or organizational effectiveness. Measuring whether training has transferred to the job requires observation of the trainee's on-the-job behavior or viewing organizational records (e.g., reduced customer complaints, a reduction in scrap rate).
- **Results (Level 4):** This level attempt to whether the training or HRD effort improved the organization's effectiveness? Is the organization more efficient, more profitable, or better able to serve its clients or customers as a result of the training program? Meeting this criterion is considered the "bottom line" as far as most managers are concerned. It is also the most challenging level to assess, given that many things beyond employee performance can affect organizational performance. Typically at this level, economic and operating data are collected and analyzed.

Kirkpatrick's framework provides a useful way of looking at the possible consequences of training and reminds us that HRD efforts often have multiple objectives. Recently, Arthur and colleagues conducted a meta-analysis of 162 training evaluation studies. They found that the average or mean effect sizes (d) for training interventions (across all topics and methods used) were fairly large. That is, effect sizes were as follows: 0.60 for reaction, 0.63 for learning, 0.62 for behavior, and 0.62 for results. Practically, we can assure that effect sizes of this magnitude should lead to

meaningful positive changes in most organizational settings, so this is a most encouraging finding. One interesting side note is that some of the strongest effects they found ($dt = 1.93$) were for those few studies where it was mentioned that needs assessment at the organizational and person level had been completed before training.

6.11 SUMMARY

In conclusion, HRD is, therefore, a set of planned and systematic activities that are designed to provide the workforce with necessary skills-set to meet current and future goals. Human Resource Development is a combination of education and training program that ensures continual growth and improvement of the individual. The organizations should sensibly make the use of these HR techniques for getting the maximum outcome and desired results from the employees. The Human Resource Development is a process of enabling the workforce in an organization to make things happen using their maximum skills and knowledge. Similarly, every firm wants to grow high and at the same time, wants to have a happy team of employees. If the employees feel connected, engaged and motivated, they will give their best outcome to the company. For this, the firm's time to time run such HRD programs to enhance and polish the skill-set of the staff and make them feel more motivated for the work. Four Stages of HRD Framework play important work. Creating training and development programs for employees is of vast importance, and needs to be treated with the respect that it deserves. In order to deliver the desired results, the program requires a dedicated team. Your senior staff may agree to share the burden and teach the rest of your employees, but that won't produce the results you expect.

6.12 SELF-ASSESSMENT QUESTIONS

- Q-1.** What are HRD Programs?
- Q-2.** Discuss importance in HRD Programs.
- Q-3.** Discuss Essential Factors for the success of HRD programmes.
- Q-4.** Discuss HRD Programs Approach to Quality of Work Life.
- Q-5.** What is Implementing HRD Programs?
- Q-6.** Discuss Evaluating and Effectiveness of HRD Programs.
- Q-7.** How to Evaluate Effectiveness?
- Q-8.** Discuss KIRKPATRICK'S Evaluation Framework.

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UNIT 7: HRD AUDIT

UNIT FRAMEWORK

- 7.1 Objectives
- 7.2 Introduction
- 7.3 HR Audit
- 7.4 Concepts of HRD Audit
- 7.5 Types of HR Audits
- 7.6 Importance of HR Audits
- 7.7 Merits of HR Audit
- 7.8 Limitations of HR Audit
- 7.9 Summary
- 7.10 Self-Assessment Questions
- 7.11 Text and References

7.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the HR audit, definition, need and objectives of human resource audit
- To determine the purpose of HR audit and scope of human resource audit
- To elaborate methodology of HRD audit, HRD audit as an OD intervention
- To explore the HRD audit failures and current status of HRD audit in India
- To explain the concepts of HRD audit, types of HR audits and importance of HR audits
- To find out the merits of HR audit and limitations of HR audit

7.2 INTRODUCTION

HR audit is a functional audit. It consists of diagnosing, analyzing, evaluating and assessing future lines of action within the framework of HRM. HRD auditing is a basic tool for the management of a company. Its objective is not only the control and quantification of results, but also the adoption of a wider perspective that will aid in designing future lines of action in the HRD field. Thus, HR auditing must perform two basic functions, 1st; it must be a MIS, whose feedback provides information about the situation in order to facilitate the development of managing processes or the development of HRD. On the other hand, it must be a way of controlling and evaluating the policies that are being applied, as well as the established process.

7.3 HR AUDIT

A Human Resources Audit (or HR Audit) is a comprehensive method (or means) to review current human resources policies, procedures, documentation, and systems. This thorough review helps to identify needs for improvement and enhancement of the HR function. In addition, it helps to assess compliance with ever-changing rules and regulations. An Audit involves systematically reviewing all aspects of human resources, usually in a checklist fashion.

Sections of review include:

- Hiring and Onboarding
- Benefits
- Compensation
- Performance evaluation process
- Termination process and exit interviews
- Job descriptions
- Form review
- Personnel file review

7.3.1 NEED AND OBJECTIVES OF HUMAN RESOURCE AUDIT

HR Audit is of great importance in a competitive environment. Firms conduct it keeping in view a variety of objectives. Such an audit is needed due to the following reasons.

- a) Alignment and realignment of HR with business goals.
- b) To make HR business driven.
- c) Promotion of professionalism among employees and company.
- d) Understanding the reasons for lower employee productivity and employee attrition; and improving the same.
- e) To review and improve effectiveness of various HR systems like manpower planning and recruitment, training and development, performance appraisal, etc.
- f) To create a high return on investment on HR.

7.3.2 PURPOSE OF HR AUDIT

The purpose of an HR Audit is to recognize strengths and identify any needs for improvement in the human resources function. A properly executed Audit will reveal problem areas and provide recommendations and suggestions for the remedy of these problems. Some of the reasons to conduct such a review include:

- Ensuring the effective utilization of the organization's human resources
- Reviewing compliance in relation to administration of the organization

- Instilling a sense of confidence in management and the human resources function
- Maintaining or enhancing the organization and the department's reputation in the community
- Performing "due diligence" review for shareholders or potential investors/owners
- Establishing a baseline for future improvement for the function

7.3.3 SCOPE OF HUMAN RESOURCE AUDIT

From the above discussion it is clear that HR Audit is a detailed comprehensive evaluation, which comprises detailed study of various aspects and components of HR. These components are:

- **HR Systems:** Systems are organized ways of making things happen. They assist in planning, prediction and bringing professionalism, discipline and security. Every system has its own objectives, elements and process. The purpose of the HR system is to build competencies and commitment of individuals, teams and the entire organization through a variety of instruments. These systems include: manpower planning, performance management, feedback, training and development etc.
- **HR Strategies:** Strategies are organized ways of doing things. HR strategies imply the choice of the organization to use various systems related to HR functions like recruitment, training, motivation performance appraisal etc. Some of the important strategies include: culture building strategy, communication strategy, quality and customer orientation strategy etc.
- **HR Competencies:** HR competencies are skills and knowledge required by the main stakeholders of the organization that hold the key for making human resources of the organization work. These include competencies of people working in the HR department.
- **HR Culture and Values:** HR audit attempts to evaluate the extent to which organization has OCTAPACE values and culture. It indicates culture which encourages and promotes Openness, Collaboration, Trust, Authenticity, Pro - action, Autonomy, Confrontation and Experimentation.
- **HR Impact and Alignment:** HR impact includes the impact made by various HR interventions in terms of its contribution to organizational performance. This performance can be in terms of outcome variables such as cost reduction, revenue generation, profit etc. and process variables in terms of talent management and intellectual capital formation.

7.3.4 METHODOLOGY OF HRD AUDIT

A team of auditors visits the company and assesses the appropriateness and adequacy of various HRD systems, strategies, structures, competences, culture, and processes, among other things, using a range of methodologies. The methodology used includes:

- Interviews
- Questionnaires
- Observation
- Secondary data analysis
- Examination of documents and communications.

The audit starts with a brief by the CEO and the Chief of HR who may set an agenda and focal areas of evaluation. The interview with the top management starts with finding out details of the future plans of the organizations and uses it as a base for outlining the competency requirements of the organization. The current competencies, structures, HRD systems etc. are assessed in terms of their capability to prepare the organization for the future. Suggestions are made to improve for achieving the future business goals and plans. The HRD audit is contextual and at the same time uses the available knowledge of the potential of the HRD systems in helping the corporation achieve its goals.

- 1) **Individual Interviews:** The auditors normally make it a point to interview the top level management and senior managers individually. Such individual interviews are a must for capturing their thinking about the future plans and opportunities available for the company. Also by virtue of occupying strategic positions the top management provides a perspective required for a good HRD audit. Thus a good HRD audit begins with individual interviews of top management. Individual interviews also are essential when sensitive matters and sensitive information has to be obtained. Such information is available particularly about the styles and culture through individual interviews. Union leaders, departmental heads, some strategic clients and informal leaders are all interviewed individually. In addition if the organization is small and is manned by largely professionals an attempt is made to enlarge the coverage and randomly selected representative samples of employees from different levels and different functions could be interviewed.
- 2) **Group Interviews:** Normally for the audit of companies having thousands of employees, it is not feasible to meet everyone individually. It is the experience of the author that group discussions and interviews is a good mechanism of collecting information about the effectiveness of existing systems. Group interviews are conducted normally for groups of four to eight individuals. It is preferable to have employees drawn from the same or similar levels. This is because in Asian cultures there is likely to be inhibition on the part of junior employees to freely express their views in the presence of their seniors. However, it is quite common to give cross functional representation of employees in the same group. If the organization is large, an attempt is made to conduct group interviews for each function separately to keep the levels homogenous.
- 3) **Workshop:** In some cases the individual and group interviews are substituted by large-scale workshops. In the workshop a large number of participants ranging from 30 to about 300 could be gathered in a room and could be asked to do the HRD audit. Normally in the workshop the participants work in small groups either around various subsystems of HRD or around different dimensions of HRD, do a

SWOT analysis and make a presentation. The workshops also can be used focusing specifically on individual HRD systems like performance appraisal. The HRD audit, if conducted through participatory methods may initiate the change process. Even if it does not, it is a potential diagnostic tool and can provide a lot of information to the top management on human processes and help them plan further interventions.

- 4) **Questionnaire Method:** TVRLS (T. V. Rao Learning Systems Pvt. Ltd.) has developed a comprehensive questionnaire which has to be administered to the executives of a company. This questionnaire has over 250 items and requires about 90 minutes to complete. This questionnaire can be administered individually or in a group. It was found useful to call groups of respondents selected randomly to a room and explain the objectives and the process of HRD audit and administer the questionnaire then and there itself. This ensures uninterrupted answering of the questionnaire and provides scope for getting more credible data due to the personal explanations given by the auditors. A number of other questionnaires have been developed since the time the first comprehensive HRD audit questionnaires were prepared by Rai and Pateek. These questionnaires attempt to assess various dimensions of HRD including the competency base of HRD staff, the styles of line managers, the implementation of various HRD systems etc. The utility of the questionnaire is that it helps in benchmarking. TVRLS a consulting firm specializing in HRD audit over the last several years have bench marking data from several organizations.
- 5) **Observation:** In addition to the above the auditors should physically visit the workplace including the plant, the machinery, the canteen, the toilets, the training rooms, the hostels, the hospital, school, living colony, etc. These visits and observations are meant to assess the extent to which a congenial and supportive human welfare oriented climate exists in the company. This is essential because employees are not likely to give their best if they do not live in good surroundings, their health and education are not taken care of, they do not have good communication and other facilities and their work conditions are poor. The observations can be conducted using a checklist of questions.
- 6) **Analysis of Secondary Data:** Analysis of secondary data can give a lot of insights into the HRD assets and liabilities of the company. For example, in a company that had about 50 HR people only two were found to have the required technical training in the HRD area. When an analysis of the training programmers attended by others was carried out, it was found that a large number of them did not attend any HRD programme in the last five years. Such analysis of secondary data can throw up many insights. Analysis of age profiles of the employees, analysis of the training attended, analysis of the minutes of the meetings held etc., help in determining the assets and liabilities. Such an analysis should also pay attention to the costs incurred by the company in terms of maintaining the HRD infrastructure, etc.
- 7) **Analysis of Reports, Records, Manuals and other Published Literature:** Published literature of the company including annual reports, marked hand-outs,

training calendar, personnel manual, and various circulars issued from time to time are also likely to help immensely in assessing the strengths and weaknesses of HRD.

7.3.5 HRD AUDIT AS AN OD INTERVENTION

A great deal of work has been done in India regarding the use of HRD Audit as an OD intervention and is a unique feature of Indian organizations. The author's experience in initiating OD with the aid of HRD audit has shown the following results:

- 1) The audit in several organizations resulted in establishing several organizational systems and processes such as potential and performance appraisal, career planning, training, mentoring. Performance appraisal and job rotation are the two most frequently affected changes.
- 2) In a few companies it has resulted in the formulation of clear-cut policies including promotion policy, communication policy, reward and recognition policy, etc.
- 3) In others it seemed to have drawn their attention to issues like developing trust, collaboration, teamwork, quality orientation etc.
- 4) In a few others it has resulted in more role clarity and direction to the employees in terms of their work leading to higher level of role efficacy.
- 5) In one of the organizations, as the audit started with the issues of future strategies the top management team could not identify the future plans. They indicated that the plans come from the multinational Head Office and they have no freedom in influencing the same. The turnover from Indian operations was negligible and therefore the parent office paid little attention to the corporation. As a result the top management could not communicate the future of the organization clearly to the employees. This resulted in morale and motivation issues though of not a significant magnitude. The corporation has good practices and the employees were proud.
- 6) On the basis of the HRD Audit report, which indicated the difficulties in ensuring employee commitment without an appreciation of the future plans of the company, the top management team made it a point to negotiate and plan the future strategy and plans for the company.
- 7) In another company the HRD Audit indicated the need for developing locals as HRD Managers and the need for reorienting the HRD systems to local culture. The company recruited an HRD manager as a short-term basis who designed a number of HR systems and also trained the local line managers in HRD. The systems designed were integrated into the TPM, ISO 9000 and such other interventions.

The above consequences indicate that HRD Audit is cost effective and can give many insights into a company's performance improvements. While various methods like individual and group interviews, workshops, questionnaires and observation can be used as tools the success of the audit as an intervention depends on the efficiency of implementation in the post-audit phase.

7.3.6 HRD AUDIT FAILURES

There are at least two cases of HRD Audit not resulting in anything. The HRD Manager was very enthusiastic in getting the HRD audited. The Audit report indicated a very poor state of HRD in the company. The staff competencies were rated as poor, the practices questioned and improvements suggested. The Benchmarking data also indicated this company to be one of the poor performers in terms of HRD though in terms of the profits etc. the company was in the forefront and was facing competition. Though the audit started with an interview with the CEO, no opportunity was provided to the Auditors to make a presentation to the CEO. As a result the audit report did not receive any attention and the auditors considered the effort a waste. In another company, the top management commissioned the Audit but got busy with reorganization of one of their critical marketing functions. In the process and due to market competition all the energies of the top management and their HR staff got diverted to the new organizational structure and they did not even have an opportunity to know the findings of the Audit. The auditors felt that some of the audit findings directly relate to business improvements in terms of the very reorganization they were planning. But the auditors were not in a position to draw the attention of the top management. The effort did not result in anything. These two events make it clear that the following processes in the HRD Audit have potential in initiating and managing change:

- Initial interviews with the Top management.
- Benchmarking data on HRD Audit questionnaire supplied to the company.
- Presentation by the Auditors at the end of the audit.
- The report itself and the way the report is handled.

7.3.7 CURRENT STATUS OF HRD AUDIT IN INDIA

The following are some of the organizations that have done HRD Audit: Aditya Birla Group has been doing it for the last 10 years (Rajashree Cement, Vikram Cement, Hindalco, Indo-Gulf Fertilisers, Gwalior Grasim, HariharFibres etc.) L&T, Crompton Greaves, Gujarat Guardian, Gujarat Gas, Apollo Tyres, Alexandria Carbon Black, Godrej Soaps, GVFL, BPL, Tyco International, Gati Cargo Management Services, Wockhardt Hospitals Bangalore, Fluenet technologies, Neterwala Group of companies, NMDC, Bharat Electronics, National Thermal Power Corporation, Bosch Rexroth etc. There is a certificate education program offered by TVRSL in HRD Audit. The certificate is intended to prepare candidates to be internal or external auditors. The HRD audit course is meant for those HR executives who already have required HR qualifications to be HR Managers and are intending to strengthen their competencies. HRD audit is not intended to be originally an OD tool. By virtue of its diagnostic and participative methodology it seems to work as a change management tool. The interview methodology, its comprehensiveness, the audit methodology insisting on starting and ending with top management involvement all have high potential for initiating change processes. It could be further refined as an OD tool. It involves all the HRD staff and a large number of Managers in the audit process and makes them conscious of the areas needing improvements. HRD audit is needed for

realigning and rejuvenating the HR function in any company. Increasingly this is likely to gain movement and become a good self-renewal tool for the HR function.

7.4 CONCEPTS OF HRD AUDIT

HRD audit starts with an understanding of the future business plans and corporate strategies. While HRD audit can be done even in organizations that lack well formulated future plans and strategies, it is most effective as a tool when the organization already has such long-term plans. The HRD audit starts with attempts to answer the following questions: Where does the company want to be ten years from now, three years from now and one year from now? (Answers to this question ensure business linkages are part of the HRD score card). Answers to this question need to be provided by the top-level management. If there are long-term plan documents these are reviewed. On the basis of the answers to these questions the consultants finalize the subsequent audit strategies and methodology. The consultant's make an attempt to identify the nature of core competencies the organization needs to develop in order to achieve its long-term five to ten year plans. The consultants also attempt to identify skills required to be developed by the company at various levels (example, workmen level, supervisors level, junior management level, middle management level, top management level, etc.) and with respect to various functions (finance, production, marketing, etc.). Listing all these core competencies and skills for the future is the starting point of HRD audit. The HRD audit normally attempts to assess the existing skills and the competency gaps in order to achieve the long-term business goals and short term results of the company. The competencies may deal with technical aspects, managerial aspects, and people related or conceptual. They may cover knowledge base, attitudes, values and skills.

7.5 TYPES OF HR AUDITS

The most common types of HR audits:

- **I-9 Audit.** This audit reviews all I-9 forms for employees and ensures that they all exist, and they're all filled in completely and correctly. It can also check for any follow-up needs or additional documentation needs.
- **Policy or Handbook Audit.** This type of audit typically looks for policy changes that need to be made to ensure policies are internally consistent and there is nothing within them that is not legally permissible which is especially important since laws may change. It confirms that all employees have received copies of all policies, and, ideally, the employer has a signed acknowledgement of such from everyone.
- **Compliance Audit.** While the details vary, most HR departments perform compliance audits to ensure legal compliance with reporting needs as well as compliance with all regulations. For example, many companies perform audits to ensure compliance with the Americans with Disabilities Act (ADA) or the Family and Medical Leave Act (FMLA) regulations. Any legal statute could be rationale to prompt an audit to ensure compliance.

- **Functional Audit.** Again, the specifics will vary, but a functional audit examines a single function, such as payroll, to ensure it is functioning properly. This type of audit is typically then rotated across all functions, such as performance management, and complaint investigation.
- **Wage and Hour Practices Audit.** This type of audit looks to uncover any potential problems with wage and hour practices. For example, it could uncover whether employees who are required to take lunch breaks have been doing so. It could also look to discover whether all overtime is being calculated and paid properly. These are just a couple of examples of the types of audits that could be conducted under the wage and hour umbrella.
- **Exemption Audit.** This type of audit assesses whether all employees who are classified as exempt from overtime are actually qualified to receive that exemption.
- **Job Description Audit.** While this activity isn't always referred to as an audit, it serves the same function. The key here is to review job descriptions and update them both for accuracy and for compliance.
- **Safety Audit.** As the name implies, this type of audit assesses the safety measures taken within the organization. (This may or may not fall under HR audits, depending on company structure.) Companies need to ensure they're complying with OSHA standards consistently.
- **Hiring Process Audit.** This type of audit looks at the hiring processes to ensure they're consistent, efficient, and nondiscriminatory.
- **Training and Development Audit.** This type of audit assesses the employee development programs in place within the organization. It looks to analyze what gaps exist and whether all statutory training has been completed.
- **Compensation and Benefits Audit.** This type of audit can take many forms, depending on business needs. It could be used to ensure that all regulations related to implementing and carrying out benefits are being met. It could ensure that compensation is in alignment with company objectives. It could be used to ensure that private employee information such as health information related to the administration of a health insurance benefit is kept completely separate from other employee information.

7.6 IMPORTANCE OF HR AUDITS

HR audits are important because they can identify HR successes as well as HR deficiencies. An annual HR audit should be incorporated into your HR department's activities and the findings were utilised to improve departmental activities as well as the workforce of your company.

- **Best Practices:** - HR best practices suggest regular audits to assist with continual improvement of the services you provide to employees. Small businesses benefit tremendously from HR audits; they ensure the company is on the right track as it grows and adds employees to its staff. Benefits administration, payroll processing

and conflict resolution are among the many internal customer services that HR should regularly monitor. Job satisfaction, morale, and engagement are all intangible aspects that affect your company's profitability, and the quality of services provided to internal customers and employees has an impact. An audit is important for ensuring that your HR department meets the needs of employees and maintains service level standards that affect your bottom line.

- **Compliance:** - Most employers are required to adhere to employment and labor laws, such as Title VII of the Civil Rights Act of 1964, the National Labor Relations Act, the Fair Labor Standards Act and the Occupational Safety and Health Administration Act. An HR audit is particularly important for compliance reasons because it can mitigate your risk of liability for unfair employment practices, according to human resources consultant A comprehensive audit is important because it assesses recruitment and selection processes, as well as how your organization handles layoffs, terminations and retention. Audits also measure the effectiveness of workplace safety measures.
- **Performance:** - An HR audit generally includes reviewing personnel files. Employee files can reveal whether your supervisors and managers are offering ongoing feedback to their employees and documenting it properly in their files. This gives you an opportunity to see the quality of feedback your supervisors give to their staff. Using the results from an HR audit of personnel files helps you rate an aspect of your company leaders' performance and see where supervisors and managers need leadership training or performance improvement steps.
- **Competitiveness:** - An audit of your HR compensation and benefits practices determines whether your salaries and wages are competitive. Job seekers look for employers that provide comprehensive medical benefits and benefits related to work-life balance, such as telecommuting options, flexible work schedules and generous vacation or paid time off. Therefore, assessing your benefits package as part of a regular audit can effectively measure your organization's ability to attract qualified applicants. Attracting qualified applicants may be a struggle for small-business employers. Therefore, an HR audit for your business examines how your compensation and benefits structure stacks up against other employers in the same industry or geographic area.

7.7 MERITS OF HR AUDIT

The benefits that the company might have from an HR audit are many, but the most important of them are:

a. Benefits on Strategic Level

- Identifies HR department contributions in the company;
- Makes the HR function business-driven and reveals ways to strengthen its impact on achieving Company results;
- Ensures objective data and information needed for the Company strategic planning.

b. Benefits on Operational Level

- Helps align HR goals to corporate strategy and goals;
- Develops and improves professional image of the HR department;
- Clarifies the HR department's roles, duties and responsibilities, finds critical HR problems and reasons for low productivity;
- Encourages for greater responsibility and professionalism among members of HR department, and for more self-confidence in HR function realization;
- Stimulates identity and alignment of HR policies and practices within the company;
- Reduces HR costs, through encouraging function for more effective forecasting and planning.

c. Benefits on Administrative Level

- Provides specific, measurable and verifiable data of the current state of the function;
- Ensures timely compliance with legal requirements, company and mandated regulations, and professional standards;
- Reviews employees files, records, registers and information;
- Reviews HR information system.

d. Compliance, Record Retention & Policy Design: It's crucial to compare local, state, and federal legislation to your current policy. Employment laws are changing all the time to keep on top of things to ensure you are following the latest.

e. Recruitment & onboarding: Ensuring your recruitment and new hire onboarding practices are sound is critical to the growth of your company.

f. Compensation & Benefits: Reviewing your pay structures, payroll systems, and company benefits keeps this area running smoothly.

g. Performance Management: An HR audit can help fine-tune your annual reviews and set the foundation for succession planning.

7.8 LIMITATIONS OF HR AUDIT

Every coin has two sides. Same way HR audit is also not free from limitations. However, the audit itself is hardly ever a failure. There are some cases when an audit does not serve constructive purpose and simply becomes a process and has negative results or impact.

a. Rely on Experts: An Auditor has to rely on experts like engineers, values and lawyers for estimation and valuation of fixed assets and estimation of contingent liabilities.

- b. Efficiency of Management:** An Auditor does not comment on the efficiency of management working in client organization; no comments on future performance of an organization can be made through audited financial statements.
- c. Checking of All Transactions:** It is not possible for an Auditor to check all business transactions especially in big organizations where the number of transactions is very high. An Auditor has to rely on sampling and test checking.
- d. Additional Financial burden:** An organization has to bear additional financial burden on account of any fees and other such expenses for conducting an audit.
- e. Not Easy to Detect Some Frauds:** Deeply rooted frauds such as forgeries, misstatements, and non-recording of transactions are difficult for auditors to identify.
- f.** When an audit is conducted as a fashion or because of some force or as a requirement of someone else and the CEO has no way of refusing it.
- g.** When results of an audit are not taken seriously and they are not implemented.
- h.** When an HR Audit is used against the HR department or to throw away some staff in the HR department.
- i.** It will have a negative impact on overall human resource development in the company.
- j.** HR audit points out gaps in the HR department and indicates mismatch between organizational needs and employee competencies.
- k.** It does not give evaluation of individuals but focuses on units and systems.

7.9 SUMMARY

Human resource audit is an important approach to human resource planning. It is practical because, if correctly conducted, it can increase the effectiveness of the design and implementation of human resource policies, planning and programmes. A periodic and systematic audit helps human resource planners develop and update employment and programme plans. An HR audit reviews the full range of HR activities, including how an organization is structured to deliver the HR function, recruitment/selection, compensation and benefits administration, performance management, employee communications, safety and recordkeeping. Identifying “gaps” between policy and practice can not only increase legal compliance but also increase efficiency and productivity of the organization’s HR activities. It can significantly contribute to the quality improvement processes and employee satisfaction.

7.10 SELF-ASSESSMENT QUESTIONS

- Q-1.** Describe HRD audit and why is it required by the organization?
- Q-2.** Discuss the methodology of HRD audit.
- Q-3.** Briefly describe the HRD score card and how it is computed.
- Q-4.** How can HRD audit be used as an intervention? Cite a few examples.

- Q-5.** Describe the present scenario of HRD audit in India.
- Q-6.** What is the importance of HR Audits?
- Q-7.** Discuss the merits of HR Audits.
- Q-8.** Discuss the limitations of HR Audits.
- Q-9.** What is Compliance audit?

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UNIT 8: HRD CLIMATE AND CULTURE

UNIT FRAMEWORK

- 8.1 Objectives
- 8.2 Introduction
- 8.3 Meaning of HRD Climate
- 8.4 Organizational Climate
- 8.5 Need to Develop Organizational Climate in an Organization
- 8.6 Components of HRD Climate
- 8.7 Measuring HRD Climate
- 8.8 Impact of Organizational Climate
- 8.9 Improving the Climate of the Organization
- 8.10 HRD Culture
- 8.11 Types, Uses, Merits and Demerits of Organizational Culture
- 8.12 Summary
- 8.13 Self-Assessment Questions
- 8.14 Text and References

8.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the meaning of HRD climate, organizational climate
- To determine the need to develop organizational climate in an organization
- To elaborate components of HRD climate and measuring HRD climate
- To explore the impact of organizational climate and improving the climate of the organization
- To explain the HRD culture; types, uses, merits and demerits of organizational culture.

8.2 INTRODUCTION

The ability and motivation of an organization's members, as well as their full contribution to their potentials in order to fulfill the organization's goals and thus ensure human resource optimization, determine the success of the organization. To survive it is very essential for an organization to adopt the change in the environment and also continuously prepare their employees to meet the challenges that will have a positive impact on the organization. Thus, an organization climate should represent the

philosophy and goals of those who join together to create the organization. The type of climate that an organization seeks is contingent upon the type of people it has, the type of technology, education and expectations of people in it.

With increasing globalization of the economy, the marketplace has become increasingly complex, highly uncertain, competitive and transformational. Today, doing business is like a war. The ultimate difference is whether or not an organization can develop and establish a competitive differentiator. Everything, including capital, technology, product design, and service deliverability can be copied by the competitors, except the talented people. Nobody can emulate a highly competent, charged/ motivated and committed workforce. Such talented people can provide an organization a sustained competitive advantage. However, managing people by any means is not easy.

Organizational climate is a concept that enables the industrial/organizational psychologist to identify how the organization is a psychologically meaningful environment for individual organization members. Descriptively, it represents the individual member's perceptions of the conditions, factors, and events that occur in the organization (Ekvall, 1987). The concept is useful in attempting to diagnose problems in organizational settings. Just as the perceptions of the individual are at the centre of any clinical intervention in clinical psychology, so are the perceptions of the characteristics of the organization, by the members of the organization, central to the diagnosis of organization's problems and dysfunctions. Organizational climate can be viewed as that which is represented by the employees' perceptions of the objective characteristics of an organization (Landy, 1989). For example the number of managers employed by an organization is objective, but employees' feelings about those managers are subjective. Climate differs from the structure of an organization. Structure is the anatomy of the organization, the bare bones or the skeleton. Climate, on the other hand, is the way the employees view the personality of the organization.

Human resources being one of the important factors of production, HRD are needed to develop competencies of individual employees through its various interventions. Perception about an organization's goals and about decisions that a manager should take to achieve these goals come not only from formal control systems but also through informal organization. Both the formal and informal structure combine to create what is called organizational climate.

8.3 MEANING OF HRD CLIMATE

HR = HR means employees in an organization, who work to increase the profit for the organization.

D = Development, it is acquisition of capabilities that are needed to do the present job, or the future expected job.

CLIMATE = Climate, this is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders.

HRD climate is the perception that the employees have about the policies, procedures, practices, and conditions which exist in the working environment. HR means employees in an organization, who work to increase the profit for the organization. Development, it is acquisition of capabilities that are needed to do the present job, or the future expected job. After analyzing Human Resource and Development we can simply state that, HRD is the process of helping people to acquire competencies. Climate, this is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. "Organizational climate is a set of characteristics of an organization which are referred to in the descriptions employees make of the policies, practices and conditions which exist in the working environment". An organization becomes dynamic and growth oriented if their people are dynamic and proactive. Through proper selection of people and by nurturing their dynamism and other competencies an organization can make their people dynamic and proactive. To survive it is very essential for an organization to adopt the change in the environment and also continuously prepare their employees to meet the challenges; this will have a positive impact on the organization.

8.4 ORGANIZATIONAL CLIMATE

Climate, on the other hand, refers to the psychological environment as reflected in attitudes and perceptions. A system of meaning is shared by the organization's members. Cultural values are collective beliefs, assumptions, and feelings about what things are good, normal, rational, valuable, etc.

(1) Organizational climate refers to meaningful interpretations of a work environment by the people in it. Few points are to be noted that:

- Are social relationships warm and caring?
- Are people treated fairly for rewards/recognition?
- Do people take pride in excellence?

(2) Organizational climate is often referred to as corporate climate. Climate' refers to those aspects of the environment that are consciously perceived by organizational members.

Definition of Organizational Climate: "Organizational climate is a set of characteristics of an organization which are referred to in the descriptions employees make of the policies, practices and conditions which exist in the working environment". E. Abraham.

HRD Climate has three dimensions of (T.V. Rao and E. Abraham) –

- General climate,
- OCTAPAC culture and
- Implementation of HRD mechanisms

The general climate deals with the importance given to human resources development in general by the top management and line managers. The OCTAPAC items deal with the extent to which are as follows:

O - Openness

C - Confrontation

T - Trust

A - Autonomy

P - Pro-activity

A - Authenticity and

C - Collaboration

8.5 NEED TO DEVELOP ORGANIZATIONAL CLIMATE IN AN ORGANIZATION

There are several points to be considered for developing organizational climate:

- **Top to Bottom Effort:** Organization is considered to be a complete organization after including top authority to bottom line of workers. And whenever we talk about development at organizational level effort is needed from top level to bottom level. Top authority should not have thinking in their mind that their task is to only take decisions but they should also emphasize on proper implementation of decisions by adopting various controlling techniques. Bottom level workers should have a loyal mind-set towards their organization. Bottom level workers have to work with dedication. They should have realised that organization is their organization. To prepare for the Human Resource Development Climate, Manager and Supervisor's responsibilities are more or we can say that they are the key players. Manager and Supervisors have to help the employees to develop the competencies in the employees. To help the employees at a lower level they need to update properly and they need to share their expertise and experience with employees.
- **Employee Belief:** In the process of developing HRD Climate, employers should have faith in its employee's capabilities. Means whatever amount is invested that should be based on development of employees. Top management should trust the employees that after making a huge effort to develop employees, employees will work for the well-being of the organization and for human beings also.
- **Free expression of Feelings:** Whatever Top management feels about employees they have to express to employees and whatever employees think about top management it must be expressed. In other words we can say that there should not be anything hidden during the communication process. Clear communication process will help to establish.

- **Feedback:** Feedback should be taken regularly to know the drawbacks in the system. This will help to gain confidence in employees' minds. Employee will trust management and he can express his opinion freely which is very good for HRD Climate. Feedback will help to remove the weakness.
- **Employees' helpful nature:** Whenever we talk about 100% effort then we have to talk about employee's effort too. Employee's nature should be helping management and for its colleagues. They should always be ready to help customers too.
- **Supportive personnel management:** Personnel policies of organizations should motivate employees to contribute more from their part. Top management's philosophy should be clear towards Human Resource and its well-being to encourage the employees.
- **Encouraging and risk taking experimentation:** Employees should be motivated by giving them authority to make decisions. This concept is risky but gradually it will bring expertise in employee's to handle similar situations in future. It will help to develop confidence in employees' minds. Organization can utilize and develop employees more by assigning risky tasks.
- **Discouraging stereotypes and favoritism:** Management needs to avoid those practices which lead to favoritism. Management and Managers need to give equal importance. Those people who are performing well need to appreciate and those who are not performing well need to be guided. Any kind of partial behaviour should be avoided.
- **Team Spirit:** - There must be a feeling of belongingness among the employees, and also willingness to work as a team.

8.6 COMPONENTS OF HRD CLIMATE

The organizational climate consists of:-

- **Organizational Structure:** An organization's structure is actually a 'snapshot' of a work process, frozen in time so that it can be viewed. The structure enables the people's energy to be focused towards process achievement and goal achievement. Employees must have a clear definition of not only the work structure but also the role used to organize the work. If the structure and the role is not clear, people will not know what the work process is, who is responsible for what, whom to go for help and decision, and who can Assist in solving problems that may arise.
- **Organizational Culture:** Organizational culture is the pattern of beliefs, knowledge, attitudes, and customs that exists within an organization. Organizational culture may result in part from senior management beliefs or from the beliefs of employees. Organizational culture can be supportive or unsupportive, positive or negative. It can affect the ability or willingness of employees to adapt or perform well within the organization. The most effective work culture is one that supports the organization's HR strategies by

aligning behaviors, processes and methods with the desired results. It is not just achieving results but the methods through which they are achieved that are critical to long-term success. Before any HR strategy is designed there must be a clear understanding of the organization, its current values, its structure, its people as well as its goals and vision for the future.

- **HR Processes:** The HR system of an organization should be comprehensive enough to take care of employees from the time they join till the time they leave HR. Their demands must not be ignored, but a feeling of belongingness be created. Process should be very clear and impartial, so that the employee's faith in the organization. From recruitment to retirement the whole process should be according to the employee's expectation and ability of the employer.
- **Dominant Orientation:** Dominant orientation of the organization is an important determinant of climate and it is the major concern of its members. If the dominant orientation is to adhere to established rules and regulations, the climate is characterized by control. If the orientation is to produce excellence the climate will be characterized by achievement.
- **Interpersonal Relationships:** The interpersonal relationships in the organizations are reflected in the way informal groups are formed and operated. The informal groups may benefit the organization also, but in some cases it may displace the goals of the organization.
- **Conflict Management:** In the organization, there can always be inter-group as well as intra group conflicts. The organizational climate will depend upon how effectively these conflicts are managed. If they are managed effectively, there will be an atmosphere of cooperation in the organization. If they are not managed properly there will be an atmosphere of distrust and non-cooperation.
- **Individual Autonomy:** If the individual employees are given sufficient freedom to work and exercises authority, it will result in efficiency in operations. The autonomy will lighten the burden of higher level executives.
- **Organizational Control System:** The control system of the organization can be either rigid or flexible. Rigid control will lead to an impersonal or bureaucratic atmosphere in the organization. There will be minimum scope for self-regulation.
- **Organizational Structure:** The organizational structure serves the basis of interpersonal relations between superiors and subordinates. It clarifies as to who is responsible to whom and who is to direct whom. If there is centralization of authority, the participation in decision making by the subordinates will be very less. On the other hand, if there is decentralization of authority, there will be an atmosphere of participative decision making.
- **Task Oriented or Relations Oriented Management:** The dominant style of managers will also affect the organizational climate. Task oriented approach means that the leadership style will be autocratic. The employees will have to

show results or face the punishment. The employee morale will be low in the long run. If the managers are relations oriented, the climate will be considerate and supportive. There will be team spirit in the organization because the needs and aspirations of the workers will be given due importance.

- **Rewards and Punishments:** The system of rewards and punishments is also an important component of organizational climate. If the reward system is directly related to performance and productivity, there will be an atmosphere of competition among the employees. Everybody will like to work hard and earn more reward in the form of promotions and pay rise. If there is biasedness in the distribution of rewards, the meritorious employees will be discouraged.
- **Communication:** The communication system of the organization will also affect the organizational climate. The flow of information, its direction, its disbursement and its type are all important determinants. Proper communication system means that the subordinates are in a position to express their ideas, suggestions and reactions; otherwise, they will be dissatisfied.
- **Risk Taking:** How members respond to risks and whose help is sought in situations involving risks are important in any organization. If individuals feel free to try out new ideas without any fear they will not hesitate in taking risks. Such an atmosphere will be conducive to innovative ideas.

8.7 MEASURING HRD CLIMATE

- **Economic condition:** – An organization's economic condition influences its culture in several ways. The more prosperous an organization is the more it can afford to spend on research and the more it can afford to risk and be adventurous.
- **Leadership Style:** - An organization's leadership style plays a profound role in determining several aspects of its culture. An authoritarian style may make the organization's culture characterized by high position structure, low individual autonomy, low reward orientation, low warmth and support and so on, or it may be opposite, like goal directed leadership.
- **Managerial assumption about human nature:** - Every act on the part of the management that involves human beings is predicated upon assumptions, generalizations and hypotheses relating to human behaviour. There are two theories of behaviour (Theory X and Theory Y).
- **Managerial values and ethos:** - Managers' perceptions of standards and values, as well as what constitutes good and bad management practices. There are few dimensions on which it can be checked. They are self-awareness, risk-taking, participation, bureaucracy, equity, employee's security and growth.

- **Organization size:** - There are few levels of management in a small company, hence it is more conducive to democratic and participatory functioning than a large organization. In small businesses, there is a more open communication system. As a result, the climate in these organizations differs from that in large corporations.

8.8 IMPACT OF ORGANIZATIONAL CLIMATE

Organizational climate influences to a great extent the performance of the employees because it has a major impact on motivation and job satisfaction of individual employees. Organizational climate determines the work environment in which the employee feels satisfied or dissatisfied. Since satisfaction determines or influences the efficiency of the employees, we can say that organizational climate is directly related to the efficiency and performance of the employees. The organizational climate can affect the human behaviour in the organization through an impact on their performance, satisfaction and attitudes. There are four mechanisms by which climate affect the behaviour of the employees.

- **Constraint System:** Organizational climate can operate as a constraint system in both the positive and negative sense. This can be done by providing information to the employees about what kind of behaviour will be rewarded, punished or ignored. Thus, behaviour can be influenced by varying degrees of rewards and punishments. Such a constraint system would influence the behaviour of those people who are most interested in those specific values which are assigned to different behavioural outcomes.
- **Evaluation of Self and Others:** Organizational variables may affect behaviour through evaluation of self and others. In this evaluation process both the physiological and psychological variables will be associated. Such evaluation will affect the human behaviour.
- **By Acting as Stimuli:** Organizational factors can influence human behaviour by acting as stimuli. As stimuli they influence individual's arousal level, which is a motivational variable directing human behaviour. The level of arousal will directly affect the level of activation and hence performance.
- **By Helping the Individual to Form a Perception:** Organizational factors influence the behaviour by helping the individual in forming a perception of the organization. The perception then influences behaviour. Thus, good organizational climate is instrumental to higher employee satisfaction, better human relations and higher productivity.

8.9 IMPROVING THE CLIMATE OF THE ORGANIZATION

- **Effective Communication System:** There should be a two way communication in the organization so that the employees know what is going on and react to it. The manager can modify his decision on the basis of feedback received.

- **Concern for People:** The management should be interested in the human resource development. It should work for the welfare of employees and an improvement in their working conditions. For developing a sound organizational climate, the management should have shown concern for the people.
- **Participative Decision Making:** The management should involve the employees in the decision making process, particularly those decisions which are related to goal setting and affect them. Participative decision making will make the employees committed to the organization and more cooperative also.
- **Change in Policies, Procedures and Rules:** The organizational climate can also be changed by making changes in the policies, procedures and rules. It is a time consuming process but the changes will also be long lasting if the workers see the changes in policies, procedures and rules as favourable to them.
- **Technological Changes:** Generally, the workers and employees resist any innovative changes. But where technological changes improve the working conditions of the employees, the change will be easily accepted. Better climate will be there if the management adopts innovative changes in consultation with the employees.

8.10 HRD CULTURE

Culture is the characteristics and knowledge of a particular group of people, encompassing language, religion, cuisine, social habits, music and arts. The word "culture" derives from a French term, which in turn derives from the Latin "colere," which means to tend to the earth and grow, or cultivation and nurture.

Manufacturing organizations attach great importance to human resource because human resources are the biggest source of competitive advantage and have the capability of converting all the other resources into products. The effective performance of this human resource depends on the type of HRD climate that prevails in the organization; if it is good then the employee's performance will be high, but if it is average or poor then the performance will be low. Company culture often called organizational culture is defined as the shared values, attitudes and practices that characterize an organization. It's the personality of your company and it plays a large part in your employees' overall satisfaction.

REASONS TO CREATE A CULTURE OF LEARNING IN YOUR ORGANIZATION

Five more great reasons to bring this culture of learning to your organization

1. **Employees Want to Learn:** Today's employees are eager to develop their skills. According to Develop Intelligence's 2017 DI Developer Survey, 55 percent of those surveyed said they seek out training in order to meet current or upcoming needs or to advance their careers. Organizations that embrace a culture of learning not only encourage learning, but have an opportunity to provide their employees with these opportunities and experiences. Try it: Start by asking each team what

they want to learn about. Perhaps they'll be interested in attending one big conference, rather than having a series of smaller in-office seminars. The more interested your employees, the more effective the opportunity will be.

2. **Employees Want to Grow:** Not only do employees want to learn, they also want a chance to grow professionally and advance their careers. In a recent Gallup poll, 87 percent of millennial said development is important in a job. Learning and development go hand in hand, help employees become the successful employees they want to be. Try it: Tie learning and promotion opportunities together. Give employees a chance to show they can take on a new position, empowering them to advance themselves both professionally and personally within the workplace.
3. **Learning Reduces Turnover:** Did you know that 40 percent of employees who receive poor training and limited opportunities for development will leave their job within five years? On the other hand, a Columbia University study found that the likelihood of job turnover at an organization with a rich company culture is a mere 13.9 percent. Make learning a part of that culture and you may see your turnover rate plummet to zero. Try it: Don't just talk the talk, walk the walk by providing training that's actually valuable, actionable and useful for every employee. Liz Alton, contributor to ADP's Spark blog suggests implementing a Learning Management System (LMS), developing paths for every employee, and creating learning processes, like mentorship, which is found to be more effective than seminar-style opportunities.
4. **Engaged Employees Are Productive:** Giving employees the opportunity to learn, develop, and grow will increase employee engagement and engaged employees produce better results. According to Gallup's 2017 Employee Engagement report, those companies in the highest quartile experience 17 percent higher productivity, 20 percent higher sales, and 21 percent higher profitability among many other positive metrics resulting from higher engagement levels. Try it: Pair learning opportunities with an HR technology platform like Achievers, which allows you to keep employees engaged with recognition, milestones, and rewards. With an effective employee recognition program, you can ensure employees are being frequently recognized and rewarded by both peers and management for their achievements in learning and development.
5. **Learning Fosters Innovation:** Companies that emphasize continuous education and development are able to develop the talents of their employees on a regular basis. According to the 2017 Workplace Learning Report, talent development is a top goal for 80 percent of top executives. Try it: Use Entrepreneur programs to empower employees to use their new skills to innovate within the organization. Keep these four building blocks in mind while you construct your programme.

8.11 TYPES, USES, MERITS AND DEMERITS OF ORGANIZATIONAL CULTURE

Organizational culture is 4 types:-

1. CLAN CULTURE
2. ADHOCRACY CULTURE

3. MARKET CULTURE
4. HIERARCHY CULTURE

8.11.1 CLAN CULTURE

1. **Primary Focus:** Mentorship and teamwork
2. **Defining Qualities:** Flexibility and discretion; internal focus and integration
3. **Motto:** "We're all in this together."
4. **About clan culture:** A clan culture is people-focused in the sense that the company feels like one big happy family. This is a highly collaborative work environment where every individual is valued and communication is a top priority. Clan culture is often paired with a horizontal structure, which helps to break down barriers between the C-suite and employees and encourage mentorship opportunities. These companies are action-oriented and embrace change, a testament to their highly flexible nature.
5. **Benefits:** Clan cultures boast high rates of employee engagement, and happy employees make for happy customers. Because of its highly adaptable environment, there's a great possibility for market growth within a clan culture.
6. **Drawbacks:** A family-style corporate culture is difficult to maintain as the company grows. Plus, with a horizontal leadership structure, day-to-day operations can seem cluttered and lacking direction.
7. **Where you'll find clan culture:** Adaptable, team-oriented with a horizontal structure? It's no surprise that clan cultures are often seen in startups and smaller companies. Young organizations that are just starting out put a heavy emphasis on collaboration and communication, leadership looks to employees for feedback and ideas and companies prioritize team-building. For companies with a large percentage of employees working remotely like HR tech provider Hierology, creating an empathetic and communicative company culture is key to success. "When you have a blended team, your local staff can help bridge gaps and build empathy," says Joel Schlundt, Vice President of Engineering at Hierology. The team coordinated job swaps to help employees better understand and appreciate their peers' roles.
8. **How to create this culture within your organization:** To cultivate a clan culture within your company, your first step is to turn to your employees. Communication is vital to a successful clan culture, so let your team know that you're open to feedback. Find out what they value, what they'd like to see change, what ideas they have to help push the company further. Step two: take their thoughts into account and put them into action.

8.11.2 ADHOCRACY CULTURE

1. **Primary Focus:** Risk-taking and innovation
2. **Defining Qualities:** Flexibility and discretion; external focus and differentiation
3. **Motto:** "Risk it to get the biscuit."
4. **About adhocracy culture:** Adhocracy cultures are rooted in innovation. These are the companies that are on the cutting-edge of their industry; they're looking to develop the next big thing before anyone else has even started asking the right questions. To do so, they need to take risks. Adhocracy cultures value

individuality in the sense that employees are encouraged to think creatively and bring their ideas to the table. Because this type of organizational culture falls within the external focus and differentiation category, new ideas need to be tied to market growth and company success.

5. **Benefits:** An **adhocracy** culture contributes to high profit margins and notoriety. Employees stay motivated with the goal of breaking the mold. Plus, with a focus on creativity and new ideas, professional development opportunities are easy to justify.
6. **Drawbacks:** Risk is risk, so there's always a chance that a new venture won't pan out and may even hurt your business. Adhocracy cultures can also foster competition between employees as the pressure to come up with new ideas mounts.
7. **Where you'll find adhocracy culture:** Think of Google, Facebook or Apple these are companies that embody the external focus and risk-taking nature of adhocracy culture. They run on creative energy and doing what hasn't been done before. Adhocracy cultures are commonplace within the ever-changing tech industry where new products are being developed and released on a regular basis.
8. **How to create this culture within your organization:** Depending on your industry, it may be hard to develop an authentic adhocracy culture that includes a high-risk business strategy. However, implementing strategy and brainstorming sessions provides employees with the opportunity to share big ideas that can help to propel the company further. Rewarding successful ideas encourages teams to think outside of the box, too.

8.11.3 MARKET CULTURE

1. **Primary Focus:** Competition and growth
2. **Defining Qualities:** Stability and control; external focus and differentiation
3. **Motto:** "We're in it to win it."
4. **About market culture:** Market culture prioritizes profitability. Everything is evaluated with the bottom line in mind; each position has an objective that aligns with the company's larger goal, and there are often several degrees of separation between employees and leadership roles. These are results-oriented organizations that focus on external success rather than internal satisfaction. A market culture stresses the importance of meeting quotas, reaching targets and getting results.
5. **Benefits:** Companies that boast market cultures are profitable and successful. Because the entire organization is externally focused, there's a key objective employees can get behind and work toward.
6. **Drawbacks:** On the other hand, because there's a number tied to every decision, project and position within the company, it can be difficult for employees to meaningfully engage with their work and live out their professional purpose.
7. **Where you'll find market culture:** The goal of a market culture company is to be the best in its industry. Because of that, these are often larger companies that are already leaders of the pack. They're looking to compete and beat out anyone else that may compare. For an industry leader like Bluecore, a retail marketing platform that utilizes AI technology, providing employees with clear objectives

helps the team provide the all-star customer service it's known for. "Our team is clear on its goals and we are incentivized through compensation structure and recognition," says Vice President of Customer Success Kim Surko. "With that foundation, we can apply our personality and values to define how we will accomplish those goals."

8. **How to create this culture within your organization:** Because every aspect of a market culture is tied to the company's bottom line, start by evaluating each position within your organization. Calculate the ROI of every role and ascribe reasonable benchmarks for production. Consider rewarding top performers to encourage similar work.

8.11.4 HIERARCHY CULTURE

1. **Primary Focus:** Structure and stability
2. **Defining Qualities:** Stability and control; internal focus and integration
3. **Motto:** "Get it done right."
4. **About Hierarchy Culture:** Companies with hierarchy cultures adhere to the traditional corporate structure. These are companies focused on internal organization by way of a clear chain of command and multiple management tiers that separate employees and leadership. In addition to a rigid structure, there's often a dress code for employees to follow. Hierarchy cultures have a set way of doing things, which makes them stable and risk-averse.
5. **Benefits:** With internal organization as a priority, hierarchy cultures have clear direction. There are well-defined processes that cater to the company's main objectives.
6. **Drawbacks:** The rigidity of hierarchy cultures leaves little room for creativity, making these companies relatively slow to adapt to the changing marketplace. The company takes precedence over the individual, which doesn't necessarily encourage employee feedback.
7. **Where you'll find hierarchy culture:** Hierarchy cultures can be found at both ends of the corporate spectrum, from old-school organizations to those of the customer service industry, such as fast food restaurants. These are companies that are hyper-focused on how day-to-day operations are carried out and aren't interested in changing things up anytime soon.
8. **How to create this culture within your organization:** The first step to establishing a hierarchy culture is to button up your processes. If the chain of command has some gaps, fill them. Consider every team and department to ensure they have clear long- and short-term goals.

8.12 SUMMARY

In the 21st Century's highly competitive business environment human resource holds the key to sustainable competitive advantage. It is not enough to develop HRD strategy. The litmus test of successful HRD strategy implementation is seen in the

perception of employees whose workplace attitude and behavior are influenced and predicted by it. Their perception of organizations human resource development environment has been found to influence citizenship behavior and voluntary turnover intention. This is quite significant and pivotal as far as organizational effectiveness, success and sustainability are concerned. This financial sub-sector has witnessed a series of reforms, change and transformation in recent times, in the form of restructuring, mergers, acquisitions, liquidations, etc. Surviving banks have had to embark on a series of interventions to ensure stability, growth and profitability.

The analysis leads to the conclusion that an excellent HRD climate is prevailing in the organization. Category wise, it is observed that OCTAPAC culture, the essence of HRD Climate, was more prevalent than HRD mechanisms and general HRD climate. The organization has a pool of professionals which are working for a larger cause and meeting their professional satisfaction. The organization shows great degree of transparency in decision making and shares information across levels. The management believes in having a participative approach to decision making. There is enough autonomy to perform one's job. Also the organization offers enough scope for personal and professional growth. The leadership of the organization is approachable and is sensitive to the needs of the employees. There is a great emphasis on capacity building and skill enhancement of the employees. Overall, the organizational climate is conducive to develop potential and competencies of the employees and provide opportunities for fulfillment. The positive motivational work culture has ensured optimum utilization of the capabilities of the team members leading to increased productivity and organizational effectiveness.

8.13 SELF-ASSESSMENT QUESTIONS

- Q-1. What is the HRD climate?
- Q-2. What is HRD culture?
- Q-3. What is Organizational Climate?
- Q-4. What is needed to Develop Organizational Climate in an Organization?
- Q-5. Discuss the Components of HRD Climate.
- Q-6. Describe the Measuring HRD Climate.
- Q-7. What is the Impact of Organizational Climate?
- Q-8. What is Clan Culture?
- Q-9. Discuss merits and demerits of hierarchy culture.

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**Uttar Pradesh Rajarshi Tandon
Open University**

MBA 3.11

Master of Business Administration

Block

3

HUMAN RESOURCE DEVELOPMENT ACTIVITIES

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MBA 3.11: HUMAN RESOURCE DEVELOPMENT

BLOCK 3: HUMAN RESOURCE DEVELOPMENT ACTIVITIES

In **Block 3** you would learn about Human Resource Development Activities; HRD activities; HRD: leadership development; Role of Trade Unions in HRD and Influence of Motivation on Development Activities.

Unit 9 discusses HRD activities; HRD activities; employee development activities; and approaches to employee development.

Unit 10 explains HRD: leadership development; leadership development; action learning; assessment and development centers; intellectual capital and HRD; HRD mechanisms for workers.

Unit 11 deals with Role of Trade Unions in HRD; concept and definitions of trade unions; objectives of trade unions; role of trade unions; concept and definition of industrial relations; objectives and importance of industrial relations; industrial relations and HRD.

Unit 12 deals with Influence of Motivation on Development Activities; influence of motivation on development activities; importance of motivation in human resource development (HRD); theories of motivation; content theories of motivation; and process theories of motivation.

UNIT 9: HRD ACTIVITIES

UNIT FRAMEWORK

- 9.1 Objectives
- 9.2 Introduction
- 9.3 HRD Activities
- 9.4 Employee Development Activities
- 9.5 Approaches to Employee Development
- 9.6 Summary
- 9.7 Self-Assessment Questions
- 9.8 Text and References

9.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the HRD activities, recruitment & selection, and performance management
- To determine the learning & development, succession planning, and compensation and benefits
- To elaborate human resource information system, HR data and analytics and employee development activities
- To explore the Employee development methods, Training, Job rotations, Coaching, Mentoring, Working-groups, Simulations, Conferences, On-the-job development, Self-study, 360-degree performance review, and Career planning
- To explain the approaches to employee development, formal education programs, assessment, job experiences and interpersonal relationships.

9.2 INTRODUCTION

Human Resource Development is basic to the developmental process being it economic, scientific, social, or career development. HRD is concerned with the organized series of learning activities designed to produce behavioural changes in the learner (Naddler, 1969). In the organizational context HRD is a process that helps employees to improve their functional capabilities for their present and future roles, and to develop their general capabilities to harness inner potentials for personal and organizational development. The HRD function includes a range of operations aimed at existing HR in order to increase their efficiency and effectiveness and enable them to take on additional tasks and functions. Training, education and development

programmes and all learning initiatives constitute HRD tools and techniques. HRD is the vital component of Strategic HRM.

HRD plays a very important role in strategy formulation and strategy implementation by providing critical input about capability and core competence about the employee. It ensures availability of HR having required skills and competence and enhances performance through strategic HR policies and practices. Strategic HRD involves contribution in corporate strategy formulation, developing strategic goals for formulating functional strategy, and its implementation, evaluation and control. Strategic HRD focuses on enhancing individual and group performance and building competitive advantage and competitiveness through HR Audit and HR Capital tools, and these activities should lead to and be reflected in performance and growth of the organization.

9.3 HRD ACTIVITIES

These cornerstones are:

1. Recruitment & selection
2. Performance management
3. Learning & development
4. Succession planning
5. Compensation and benefits
6. Human Resources Information Systems
7. HR data and analytics

In the following section, we will cover these HR basics one by one.

9.3.1 RECRUITMENT & SELECTION

Recruitment and selection are arguably the most visible elements of HR. We all remember our first interview, right? Recruiting candidates and selecting the best ones to come and work for the company is a key HR responsibility. People are the lifeblood of the organization and finding the best fits is a key task. The request for new hires usually starts when a new job is created or an existing job opens up. The direct manager then sends the job description to HR and HR starts recruiting candidates. In this process, HR can use different selection instruments to find the best person to do the work. These include interviews, different assessments, reference checks, and other recruitment methods.

Sometimes, when there are a lot of candidates, HR may deploy pre-selection tools. These tools help to separate the wheat from the chaff when it comes to suitable candidates. The candidates that are successful then continue to the next round, where they are interviewed and receive a more in-depth assessment.

9.3.2 PERFORMANCE MANAGEMENT

Once employees are on board, performance management becomes important. Performance management is the second HR basic. It involves helping people to perform better in their jobs. Usually, employees have a defined set of responsibilities that they need to take care of. Performance management is a structure that enables employees to get feedback on their performance with the goal to reach a better performance. Examples are formal one-on-one performance reviews, 360-degree feedback instruments that also take into account the evaluation of peers, clients, and other relations, and more informal feedback. Usually, companies work with an annual performance management cycle, which involves planning, monitoring, reviewing, and rewarding employee performance. The outcome of this process enables the categorization of employees in high vs. low performers and high vs. low potentials.

Successful performance management is very much a shared responsibility between HR and management, where usually the direct manager is in the lead and HR supports. Good performance management is crucial, as employees who consistently underperform may not be a good fit with the company and/or culture and may have to be let go. This is also one of the basic responsibilities of HR.

9.3.3 LEARNING & DEVELOPMENT

If employees struggle to perform well in certain areas, learning and development can help to improve their performance. Learning & development (L&D) is led by HR and good policies can be very helpful in advancing the organization towards its long-term goals. Many organizations have pre-defined budgets for L&D efforts. This budget is then distributed amongst employees, with trainees, future leaders, and other high potentials often receiving more training opportunities than others. Develop a skill-set that delivers strategic impact. Learn everything from consulting and data literacy skills to basic finance. A well-known framework that connects performance management with L&D activities is the 9-Box grid. Based on people's performance and potential ratings, different development plans are advised.

9.3.4 SUCCESSION PLANNING

Succession planning is the process of planning contingencies in case of key employees leaving the company. If, for example, a crucial senior manager quits his/her job, having a replacement ready will guarantee continuity and can save the company significant money. Succession planning is often based on performance ratings and L&D efforts. This results in the creation of a talent pipeline. This is a pool of candidates who are qualified and ready to fill (senior) positions in case of someone leaving. Building and nurturing this pipeline is key to good people management.

9.3.5 COMPENSATION AND BENEFITS

Another one of the HR basics is compensation and benefits. Fair compensation is key in motivating and retaining employees. Compensation can be split up in primary compensation and secondary compensation. Primary compensation involves directly paid money for work, which often is a monthly salary and sometimes performance-based pay. Secondary benefits are all non-monetary rewards. This can include extra

holidays, flexible working times, day-care, pensions, a company car and laptop, and much more. The goal here is to reward people in ways that motivate them.

9.3.6 HUMAN RESOURCE INFORMATION SYSTEM

The last two HR basics are not HR practices but tools to do HR better. The first is the Human Resource Information System, or HRIS. An HRIS supports all the cornerstones we discussed above. For example, for recruitment and selection an Applicant Tracking System, or ATS, is often used to keep track of applicants and hires. For performance management, a performance management system is used to keep track of individual goals and put in performance ratings. For L&D, a Learning Management System (LMS) is used for the distribution of content internally, and other HR systems are used to keep track of budgets and training approvals. For compensation, a payroll system is often used, and there are also digital tools that enable effective succession planning. All these functionalities can often be done in one single system, the H.R.I.S. Sometimes, however, the management of these functionalities is split up into different HR systems. The bottom line is that working in HR has a substantial digital component, which is why the H.R.I.S. is the final ingredient when discussing HR fundamentals.

9.3.7 HR DATA AND ANALYTICS

The last of the HR basics revolves around data and analytics. The last half decade, HR has made a major leap towards becoming more data-driven. The Human Resource Information Systems we just discussed is essentially a data-entry system. The data in these systems can be used to make better and more informed decisions. An easy way to keep track of critical data is through HR metrics or HR KPIs. These are specific measurements that answer how a company is doing on a given measurement. This is referred to as HR reporting. This reporting focuses on the current and past state of the organization. Using HR analytics, HR can also make predictions about the future. Examples include workforce needs, employee turnover intention, the impact of the (recruitment) candidate experience on customer satisfaction, and many others. By actively measuring and looking at this data, HR can make more data-driven decisions. These decisions are often more objective, which makes it easier to find management support for these decisions.

9.4 EMPLOYEE DEVELOPMENT ACTIVITIES

The success and failure of an organization depend on its employees, truly making them the brand ambassadors for an organization. It is rightly said that employees can either make or break a brand. Employees ought to be treated with utmost respect by the management to expect the best out of them and for the employees to develop a sense of attachment towards the organization. You just can't afford to ignore an individual who is directly responsible for accomplishing the goals and objectives of your organization. Training and employee development activities play a crucial role in developing employees and preparing them for adverse situations and unforeseen circumstances. Training is essential both for the professional as well as personal growth of employees. New skills and learning acquired by an employee through training would not only help him in his present job but also for all his future

assignments. Senior management really needs to highlight the importance of employee development activities for employees to take training seriously and gain from the same, eventually yielding higher profits and benefitting their organization. Training should not be conducted just for the sake of it. Employees should not attend training simply to mark their attendance or just because their bosses have asked them to do so. It is really essential to upgrade your skill and knowledge to stand apart from the rest. Remember, one needs to grow with time.

Managers or human resource professionals must take initiatives to assess the skills and knowledge of employees and design relevant training programs in line with their interest areas, needs and requirements. The training programs ought to be meaningful and must add value to the employees. No two employees are the same. You can't have similar training programs for every employee. First identify the training needs of an individual. Employees with similar training needs can be put in one group.

Training and employee development activities help employees to identify their weaknesses, strengths, needs by encouraging two way communication among employees. Employees should have the liberty to express their views, opinions, needs and problems for employers to suggest appropriate solutions and act accordingly. Training helps in the continuous acquisition of new skills and learnings. Training and employee development activities play an important role in helping the employees to refine their skills and knowledge and acquire job mastery. They indeed help employees to think beyond their routine work and defined key responsibility areas.

9.4.1 EMPLOYEE DEVELOPMENT METHODS

Employee development activities or training programs in organization generally fall under following categories:

1. Training
2. Job Rotations
3. Coaching
4. Mentoring
5. Working-Groups
6. Simulations
7. Conferences
8. On-the-job development
9. Self-study
10. 360-degree performance review
11. Career planning

Employees and employers have various ways to go about putting employee skills development into practice. The overarching goal is to strengthen employee's broad range of skills, whether it is flexibility, organizational, creativity, communication or leadership.

1. **Training:** This method includes developing employee skills through a combination of lectures, hands-on-exercises, videos, podcasts, simulations, and

individual/group-based assignments. It includes both formal (classroom-based, instructor-led, eLearning courses) and informal (watching YouTube videos, reviewing educational blogs and posts on peer-group forums like LinkedIn or chat rooms, self-study) approaches to skills development. Each option will be specific to an organization's needs, and the subject at hand. For example, a hands-on, instructor-led training may be the best option to teach a detailed process or trade e.g. a complex manufacturing process or preparing a signature dish for a restaurant. However, organizations must also actively support employee skills development for future roles/responsibilities that the company hopes to entrust these employees. **Ideal For:** Training is an ideal employee development method when it comes to addressing both Hard (technical) and Soft (communications, conflict resolution, time management) skills.

2. **Job Rotations:** Employees could volunteer to rotate roles with colleagues on a shift/team, to put some of those new skills into practice. Employers can also encourage job sharing as a method for employees, who have indicated their desire to get practical experience, to develop some additional skills. The goal is to rotate the tasks and roles to learn something new or have a chance to practice what has been learned. **Ideal For:** This employee development method is the best way to train flexibility and adaptability. It is also great for extending an employee's technical skills but, depending on the type of stretch goals set, could aid in developing other ancillary skills such as Time Management, Stress Management, and Conflict Resolution Skills.
3. **Coaching:** When talking about various employee development methods and their benefits, we can't stress the importance of helping employees polish their skills through coaching. This method of skills development typically involves senior staffers working one-on-one with less experienced individuals. **Ideal For:** This can be a quick approach to learn highly specialised leadership and team management abilities, depending on the emphasis of the coaching involved. It can also be focused on particular organizational skills.
4. **Mentoring:** This method involves senior leaders/management taking junior staff under their wing to help develop important skills that the mentored individual might lack. The more formal mentoring programs are typically used for senior executive/leadership roles, while less formal structures might be implemented amongst junior management as well. **Ideal for:** Because it requires senior leadership commitment, Mentoring is typically used to develop high-level skills such as Leadership, Strategic Management, and Communication, Critical Thinking, and Long-term Vision articulation.
5. **Working-Groups:** These are methods that give employees an opportunity to interact with peers/colleagues from within and external to the organization. The benefit here is rich access to similar colleagues (internal) and dissimilar colleagues.(external). This broad range of input and knowledge can be useful in gaining new insights, troubleshooting, and opening up communication on best practices. **Ideal For:** Workshops are great for developing a range of soft skills, such as Communications, Teamwork, Presentation, Public Speaking, Networking, and Leadership skills. It can also be used to polish Research and Analytical skills.

6. **Simulations:** These are becoming very popular due to both how engaging and effective they have become. In its simplest form, a simulation could be role-playing a customer service interaction, for example, learning how to diffuse an irate and confrontational client in person, or responding to an emergency situation such as mock first aid scenarios. At its highest level, simulations can involve completely virtual worlds, such as fire rescue or flight training where employees can learn the skills required in a non-consequential setting. **Ideal For:** Works for all types of skills. Group simulations can even be utilized to teach social skills.
7. **Conferences:** Much like workshops and committees, conferences are a useful way to network and gain exposure to a vast knowledge base of both interdisciplinary and outside industries. Specific sessions are generally available to increase awareness and training of relevant topics, often in a pick and choose format that can be of interest/usefulness to particular subgroups within an organization. **Ideal For:** Dependent upon the conference's applicability and specificity, they work for all types of skills, including hard and soft skills and personal development. It can additionally assist with communication skills.
8. **On-the-Job Development:** Employees who have attended some basic training on a technical skill (whether it is in operating a new machine or learning new financial analysis methods) will often find on-the-job development a great method to hone those skills. This is basically learning by doing, which is typically done right after the training. The main goal of on-the-job development is to provide everything to the employee for self-study while at work. Employees learn how to use something or apply the methods as they complete the assigned tasks. **Ideal For:** While on-job exposure is typically good for work-specific skills development, this method can also develop a broad variety of employee skills, including hard and soft skills.
9. **Self-study:** This can be accomplished through different methods: reading/researching, taking classes, etc. outside of work hours. The subject doesn't always relate to the skills that an organization needs, but rather something new that they believe will improve their performance. While the time invested for self-study isn't directly compensated, if an employee purchased a course that will improve his performance, the company should compensate him by paying for that course. **Ideal For:** This is a great means to develop creativity and curiosity, as employees will naturally choose topics of interest/passion. Depending on the material studied, however, it could be applicable to all skills.
10. **360-Degree Performance Review:** This method involves getting feedback about an employee, from a cross-section of peers, subordinates, supervisors and external vendors, and then identifying skills development opportunities based on those inputs. **Ideal For:** Because of the fairly broad scope of feedback, this method relies upon; it is typically good for identifying skills gaps in people-facing roles, including Conflict Resolution, Communications, Tactfulness, and Interpersonal skills.
11. **Career Planning:** While this method is usually viewed as something that is "employer-driven" where HR decides which employee should fill what role it shouldn't be so! Employees can also suggest future/alternative career paths for themselves, to their supervisors/managers, and initiate career planning

discussions. Through discussions with management, individual employees should then analyze their own strengths and shortcomings, and volunteer to take on some of those roles. Individual career plans can then be mapped out, in consultation with HR, with specific skills development milestones identified for each role. **Ideal For:** When used in conjunction with other employee development methods, Career Planning can help identify and develop a broad spectrum of cross-organizational employee skills.

9.5 APPROACHES TO EMPLOYEE DEVELOPMENT

Development refers to activities and experiences, such as formal education, job experiences, relationships, and assessments that help employees to grow and prepare for the future. It involves voluntary learning that is not tied directly to the employee's current job. Training, on the other hand, is often required of employees and is tied to current work performance. Employee development is necessary in today's company's efforts to continuously improve quality, stay competitive in the global market, and to incorporate new technologies and new work systems. Employees must also be able to perform roles traditionally reserved for managers.

Four approaches are used to develop employees: formal education, assessment, job experiences, and interpersonal relationships.

9.5.1 FORMAL EDUCATION PROGRAMS

Formal education programs are on-site or off-site programs tailored specifically for a company's employees, short courses offered by consultants or academic institutions, executive MBA programs, and on-campus university programs. Many learning methods are likely involved, mostly active learning:

- Corporate entry leadership conferences.
- New manager development course.
- Senior functional program.
- Executive programs.
- Officer workshops.

Many companies also provide tuition reimbursement as a benefit for all employees to encourage them to develop. Tuition reimbursement refers to the practice of reimbursing employees' costs for college and university courses and degree programs. However, despite the large investment in tuition reimbursement, many companies have not attempted to identify the value of such programs.

9.5.2 ASSESSMENT

Assessment involves the collection of information, followed by the provision of feedback to employees about themselves, including information about their behaviors, learning or communication styles, aptitudes or skills. Data may be collected from the individual, peers, the manager, and customers. Assessment is often used to identify employees with managerial potential, to measure the strengths and weaknesses of current managers, to identify managers with executive potential, and/or to measure the strengths and weaknesses of team members and team functions.

The **assessment center** refers to a process involving multiple raters or assessors on multiple exercises or activities. The entire process is usually conducted off-site. Outcomes include identifying managerial potential in terms of personality characteristics, administrative skills, and interpersonal skills; and identifying employees with team skills.

Exercises include:

- Leaderless group discussion, involving a team of employees who must solve an assigned problem in a given amount of time.
- An in-basket, which is a simulation of managers' administrative tasks which must be addressed.
- Role plays, typically involving the participant playing the part of a manager in a predetermined situation which must be resolved.
- Personality, interest and ability tests may also be involved.

Benchmark is an instrument designed to measure key factors in being an effective manager. Items measure managers' skills in dealing with subordinates, acquiring resources, and creating an effective work climate, based on research on critical learning events in managers' careers. Self-ratings and ratings of others are incorporated into a summary report or profile.

Skills related to managerial success are resourcefulness, doing whatever it takes, being a quick study, building and mending relationships, leading subordinates, compassion and sensitivity, straightforwardness and composure, setting a developmental climate, confronting problem subordinates, team orientation, balance between personal life and work, decisiveness, self-awareness, hiring talented staff, putting people at ease, and acting with flexibility.

Performance appraisal refers to the process of measuring employees' performance. Different approaches include:

- Ranking employees
- Rating employees' work behaviors
- Rating employees' traits, e.g., leadership
- Measuring results of work performance, e.g., productivity

The appraisal system needs to give employees specific information regarding improvement that is needed, clear expectations, and specific suggestions for ways to improve. Upward feedback is the process of appraising performance by collecting subordinates' evaluations of their managers' behaviors and skills.

360-degree feedback is the process of appraising performance by collecting evaluations from all the way around the employee, i.e., from subordinates, peers, customers, the manager, and his/herself. These different perspectives can be compared and create a summary of perspectives on the employee's performance

9.5.3 JOB EXPERIENCES

Job experiences are the problems, demands, responsibilities, tasks, relationships, and other features the employees deal with in their jobs. When there is a mismatch between the employee's abilities and experience and those necessary for the position,

it is thought that job experiences are most likely to be developmental. Stretching in the job forces the employee to learn new skills.

The **Center for Creative Leadership** conducted a series of studies of key events that made a difference in managers' styles and lessons learned from experiences. Recent research suggests that all job demands, with the exception of obstacles, are related to learning. **Job enlargement** involves adding challenges or new responsibilities to an employee's current job in order for the employee to learn and grow. **Job rotation** involves moving employees through various job assignments in various functional areas, within one functional area of the company or within a work team. One's title and level of compensation is maintained throughout the rotation.

A **transfer** refers to reassigning an employee to a different job in a different area of the company, most likely a lateral move. Job responsibilities and compensation are not necessarily increased. Transfers may involve relocating, which can be very stressful to the employee and his/her family, and are not always well received. The employees most willing to transfer are those with high career ambitions, a belief that his/her future with the company is promising, and a belief that accepting the transfer is necessary to advance and succeed in the company. A **promotion** involves advancing an employee into a position of greater challenge, responsibility and authority. This usually involves an increase in compensation. Obviously, employees are more willing to accept promotions than they are to accept lateral moves or downward moves. Promotions are most available when the company is profitable and growing. A **downward move** involves giving an employee a position with less responsibility and authority. The primary types include: A lateral demotion, which is a move to a position at the same level but with less authority and responsibility. For developmental purposes, a temporary cross-functional is relocated. A demotion is to a lower level position because of poor performance.

To ensure that employees approach transfers, promotions, and downward moves as opportunities for development, particularly when relocation is required, companies can:

- Provide information about the content, challenges and potential benefits of the new job and, perhaps, location.
- Involve the employee in the decision by sending him/her to preview the new location or job, giving them information about the location, etc.
- Assign a host at the new location to help with the adjustment.
- Inform the employee how the new job will affect their income, taxes, and expenses.
- Reimburse and assist the employee in selling a home and renting or purchasing another.
- Provide an orientation program.
- Show the employee how the new job experiences fit with the employee's career plans.
- Assist family members in the relocation, e.g., identifying schools, as well as child and elder care.

- Help for spouses in identifying and marketing their skills and finding employment.

9.5.4 INTERPERSONAL RELATIONSHIPS

Interpersonal relationships can also be a vehicle for developing employees' skills and increasing their knowledge about the company and its customers. **Mentoring** involves an experienced, productive senior employee (the mentor) helping to develop a less experienced employee (the protégé). Most mentoring relationships develop informally due to shared interests, values or work assignments, but mentoring can also be formalized into a mentoring program company initiative. **Benefits of mentoring relationships can emerge for both mentors and protection.**

Benefits to protection include:

- Career support, which involves coaching, protecting, sponsorship, and the provision of challenging assignments, and exposure and visibility.
- Psychosocial support, which includes friendship, a role model, acceptance, and an outlet to talk about anxieties and fears.
- Higher rates of promotion.
- Larger salaries.
- Greater organizational influence.

Benefits to mentors include:

- Developing interpersonal skills.
- Increased self-esteem and sense of worth to the company.
- Access to new knowledge in their field.

Coaching relationships: A coach is a peer or manager who works directly with an employee to help him/her develop skills, generate his/her motivation, and provide reinforcement and feedback. The coach can play three roles:

- 1) One-on-one directing the employee and giving him/her feedback.
- 2) Helping the employee learn for him/herself, e.g., pointing him/her to appropriate resources.
- 3) Providing resources, e.g., mentors, courses, or experiences, to which the employee might not otherwise have access.

To develop coaching skills, four issues need to be addressed:

- 1) Managers may be reluctant to discuss performance issues to avoid confrontation.
- 2) Managers may be better able to identify performance issues in employees than to solve them.
- 3) Managers may fear that employees will perceive coaching as criticism.
- 4) Managers may feel they don't have time to coach effectively.

9.6 SUMMARY

Training and development is a subsystem of an organization. It ensures that randomness is reduced and learning or behavioral change takes place in structured

format. In human resource management, training and development is focused at enhancing performance of individuals and groups in an organization. It has been known by several names, including employee development, human resource development, and learning and development.

The trends in the human resource industry are dynamic in nature which contributes towards the achievement of organizational goals. Over the years, highly skilled and knowledge based jobs have increased while low skilled jobs are decreasing. This calls for skill mapping through proper HRM initiatives. Change is inevitable as said and that's what Indian organizations are witnessing in management cultures, systems and working style. Alignment with global companies has forced Indian organizations to accept and incorporate change in everyday life which makes the role of HRM all the more important. Performance appraisal is the systematic evaluation of the individual with respect to his or her performance, against the predetermined performance standards and on the basis of his or her potential for development.

Four major approaches to development were addressed. First, formal education programs were highlighted. Second, assessment for developmental purposes was discussed, and on Benchmarks, an instrument for measuring key factors in being a manager. Other forms of evaluation, the assessment centre and performance appraisals were the methods described. The currently popular appraisal method called 360-degree feedback was detailed. Third, job experiences for development were discussed, with focus on job rotation and transfers. Fourth, interpersonal relationships were addressed, with the focus being on mentoring. Benefits and limitations of the various development vehicles were discussed.

9.7 SELF-ASSESSMENT QUESTIONS

- Q-1.** Define HRD activities. Explain the recruitment & selection.
- Q-2.** What is performance management? Explain learning & development.
- Q-3.** Discuss the succession planning and compensation and benefits.
- Q-4.** What is the human resource information system? Explain HR data and analytics.
- Q-5.** What are the employee development activities? Discuss employee development methods.
- Q-6.** Explain training, job rotations, coaching and mentoring.
- Q-7.** Discuss the working-groups, simulations and conferences.
- Q-8.** What is on-the-job development? Explain Self-study and 360-degree performance review.
- Q-9.** Define career planning. What are the approaches to employee development?
- Q-10.** Discuss the formal education programs and assessment.
- Q-11.** What are job experiences? Explain also interpersonal relationships.
- Q-12.** What role does assessment have in employee development? Can assessment alone be effective for development?
- Q-13.** Why do companies develop formal mentoring programs? What are the potential benefits for the mentor and for the protégé?
- Q-14.** What is coaching? Is there only one type of coaching? Explain.
- Q-15.** Discuss reasons why many managers are reluctant to coach their employees.

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UNIT 10: HRD: LEADERSHIP DEVELOPMENT

UNIT FRAMEWORK

- 10.1 Objectives
- 10.2 Introduction
- 10.3 Leadership Development
- 10.4 Action Learning
- 10.5 Assessment and Development Centers
- 10.6 Intellectual Capital and HRD
- 10.7 HRD Mechanisms for Workers
- 10.8 Summary
- 10.9 Self-Assessment Questions
- 10.10 Text and References

10.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the Concept of leadership development, skills of developing leadership, leadership skills development programmes and importance of leadership development
- To determine the action learning and components of action learning
- To elaborate assessment and development centers, the assessment and development center process, and assessment and development centers: practice guidelines
- To explore the intellectual capital and HRD, elements of intellectual capital and the importance of implementing intellectual capital processes
- To explain the employee and management training & development; strategies for implementing intellectual capital knowledge
- To explore the HRD mechanisms for workers and generations in the workplace.

10.2 INTRODUCTION

Creating effective leadership in organizations is by no means a new topic, however it is a topic of increasing importance. While more and more research shows that leadership drives organizational performance, health and effectiveness, ensuring successful leadership has never been easy, as clearly seen in many previous failures. However today, organizations are beginning to wake up to the fact that the modern fast-paced world makes more significant, and often unpredictable, demands on their

leaders and therefore they need leaders who are capable of performing under these highly challenging circumstances. Those that don't respond to these challenges, run the risk that their organizations may ultimately fail.

Action learning is a process used by organizations for real world problem solving. In this method, a group of individuals with diverse backgrounds are assigned with a problem. The group investigates, comprehends questions, mulls over, and suggests a solution to the problem. This also helps in creation of brand new approaches to problem solving and team building. Depending on the various forms of assessment centers, i.e., physical, virtual, or blended, and their objectives, individuals are asked to participate in multiple activities to gauge fitment, readiness, or developmental needs. The difference between the assessment center and the development center is that an assessment center is often used during hiring and selection, and a development center is used for individual and organizational development purposes.

Any developmental effort directed on particular groups of employees would be inadequate and their impact on the organizational growth and development will be marginal unless the developmental efforts are directed to cover all sections of employees. Even the most developed managers would find it difficult to achieve corporate objectives in the company of stagnant, alienated and unmotivated workforce. If competent and qualified managers could alone run the organization, workers would not have been needed.

In a developing country like ours, the public sector has come into being as a major instrument of economic and social transformation. Public sector seeks to achieve the commanding heights of our national economy. A major challenge to HRD in the public sector is the heterogeneous composition of the workforce in so far as their education, exposure and work attitudes are concerned. The 'population mix' of workers category comprises workmen from socially disadvantaged groups, women and other categories like physically handicapped and representations from religious minority groups. This makes use of HRD much more imperative as each group has its own assumptions about the other and biases and prejudices based on consideration of caste, sex, language and religion calling for a much more concentrated effort to create cohesion in the work force.

10.3 LEADERSHIP DEVELOPMENT

Leadership isn't something that can be learnt from a book. Leadership is often described as a set of behaviours and skills which can be trained and enhanced, though not like other skills required in the workplace. Developing great leadership skills requires hands-on experience that gives leaders the opportunity to build their leadership capabilities and transfer their learned skills and principles to the workplace.

Companies must embrace the idea that all employees can be leaders in their own context. Companies must never start with an abstract definition of leadership or a checklist of the 'five things you need to do to be a leader' and then try to fit people to the mould. Instead, companies must recognize the things the employees do well and define how they lead. Those are the strengths they have and the areas where their

talents really shine. So, leadership skills development should be about how the company can leverage those strengths in a more meaningful way, to be more effective.

10.3.1 DEVELOPING LEADERSHIP SKILLS

Developing leadership skills is essential, owing to the many values it provides for a business, including:

1. **Motivation:** As an employee at the top of a hierarchy, a leader's role is to make sure all other employees do their jobs the right way. Thus, one of the key leadership skills important to any company is the ability to motivate others. Part of the ability to motivate people is to be a good role model and set high standards of performance, accountability and behaviour. As a result of possessing excellent leadership qualities, a leader will build a team that aspires to the same high standards.
2. **Vision:** Seeing the bigger picture is a key leadership attribute, and part of this is having the knack to see areas of opportunity and act on them. Looking to the future is an attribute which separates leaders from non-leaders. With a well-executed plan, leaders can generate growth and prosperity for their companies. However, that vision must be paired with the ability to communicate ideas in a clear and authoritative way.
3. **Crisis Management:** The ability to manage conflicts, sudden emergencies, or any other negative events is essential even in the well-planned environment. The ability to deal with inevitable crises effectively and quickly is a crucial skill for a leader. Stronger leadership skills during emergencies minimize their negative impact, while poor leadership skills in dealing with such events can make potential problems much worse.
4. **Collaboration:** One of the most important leadership skills is the ability to provide guidance to staff on how to do their jobs with minimal management, allowing them to become mostly self-sufficient. Leaders who opt for a bullying or authoritarian attitude will see little growth in their teams. Instead, leaders must listen to employees, ask questions, and develop an environment where employees have the means and confidence to grow on their own when needed. Leaders foster a spirit of collaboration among their staff members. This contributes to high morale and greater productivity, and signifies the importance of good leadership skills to the company.

10.3.2 LEADERSHIP SKILLS DEVELOPMENT PROGRAMMES

Leadership skills development programmes must be based on a simple formula. Leadership skills are deeply personal and exclusive, but they are also strongly connected with collective success. Leadership skills have a personal connection towards performance and outcomes, and have a personal connection to the company's mission, vision, and strategic priorities. To compete in today's business sphere, companies must shift toward a lean and simplified approach in developing their leadership skills development process. Shifting to a clear and concise leadership skills development process can help companies acclimate to a rapidly changing environment and focus on outcomes, rather than sticking too rigidly to definitions that already exist.

A few key considerations HR must be mindful of when establishing effective leadership within their organization include the following:

- 1. Leadership Training and Development:** Managers perform the crucial role of encouraging and empowering their teams. The more comfortable your leaders are with taking charge, the more motivated the rest of your employees will be. In fact, 88 per cent of people are extremely motivated by praise from their managers. For this reason, it's essential that HR looks closely at how leaders in the business can be effectively trained and developed into the best leaders they can be. The process can begin with offering training and development opportunities for leaders, encouraging them to fill their skills gaps. HR can take an active role in impacting leadership development by celebrating leaders' strengths and identifying where they can do better. They can also be instrumental in suggesting courses or offering mentoring opportunities to suit. It's also important to note that this process of developing leaders should begin before the management level. HR should create effective systems for identifying future leaders and present opportunities for them to grow leadership skills through development programs.
- 2. Employee-Centric Approach:** HR should ensure that an employee-centric approach is maintained when it comes to developing leadership. Managers at all levels need to follow a people-centric leadership model, and HR needs to facilitate this. It's HR's responsibility to ensure people in the organization know what effective leadership is. This may take the form of established documentation and wording around what behaviours are expected of leaders in the business. This will provide clear expectations across the organization, as well as common language and terms. An employee-centric approach also means developing the interpersonal skills of leaders and creating effective strategies for hiring, retaining and managing teams.
- 3. Leadership Skills with Situational Awareness:** A good leadership skills development process considers the bigger picture, and helps employees to anticipate problems before they occur. This is one of the most valuable leadership skills to have when handling complex projects with tight deadlines. The leadership skills development process must develop an employee's ability to foresee outcomes and provide suggestions for avoiding potential problems. This ability also helps to recognize opportunities that others overlook, which will certainly earn recognition.
- 4. Career Sponsor:** Career sponsorship is an essential and only recently recognized ingredient in the success of a leadership skills development programme. A sponsor takes a vested interest in the leadership skills development of an employee and supports them in their development. Leadership skills development programmes must be designed in a manner where employees work closely with their sponsors to create individual development plans that will help them build networks and pursue assignments, and where they can gain the experience and leadership skills they need to succeed.
- 5. Ability to Accept Failures:** Learning how to recognize successes and failures is one of the essential leadership skills that need to be nurtured in potential leaders. Even the most powerful, inspiring leaders make mistakes. Hence, the leadership skills development process must include a step where the potential leaders learn to

- recognize an error, admit it openly and take action to correct it. Being open about failures, discussing them and learning from them sends a powerful message.
6. **Second in Command:** Companies can upgrade the leadership skills of their employees by providing training, but there is another, unique way for employees to learn leadership skills. The company can build leadership skills from the current crop of leaders. A strong leadership skills development programme should include identifying a second in command as a leader. The basis of this aspect of the leadership skills development process is to support the current leader and build business continuity. This harnesses motivation within the employees, as it is a chain of advancement that they can feasibly join themselves. This also incentivizes employees for internal job promotion, be it horizontal or vertical. In short, it's a win-win situation for both the employees and the company.
 7. **Horses for Courses:** It's crucial that companies develop leadership skills processes that are not only lean and simple, but include key tactics and expressions for future leaders to use in difficult scenarios. Most leaders do the same things at the fundamental level, but their approach is personalized to each situation. A homegrown leadership skills development process is generally lean and concise and entails only a few competencies that are intended to be applied to the entire organization. In this way, a homegrown leadership skills development process is simpler and easier to use.

10.3.3 IMPORTANCE OF LEADERSHIP DEVELOPMENT

1. A research found that 88 percent of people believe that personal recognition is just as vital as or even more significant than money incentives. This shows that having leaders that can foster a positive culture will provide a big impact on the organization long term, thus increasing the importance of leadership development.
2. In fact, effective leadership is the second top reason for employee satisfaction at work. Thus, to keep your organization as a whole happy and productive, you must provide them with well-trained leaders. Thus the importance of leadership development is responsible also for employee satisfaction.
3. 56% of workers in the United States are disengaged at work. Having effective leaders that can engage teams through a sense of purpose and recognition has actually been shown to make for a more profitable organization. Creating a stable profit is almost every organization's goal, so this further solidifies the importance of leadership development.
4. In a recent study, leadership development has been shown to make a bigger impact on an organization's success than an organization's "culture of innovation". Is the importance of leadership development at your organization similar to that of your culture?
5. More companies are now focusing on developing leaders from all levels of the organization that have been chosen as "high potential". Previously there was only focus on very senior level leaders for development. However, with the importance of leadership development coming to the forefront of research, many organizations now see the value in doing this.

6. A recent study found that the more a company focuses on internal leadership development, the better it performs meeting its objectives. Focusing on the importance of leadership development in your HR strategy can thus positively impact other organization objectives.
7. The most effective leaders in today's business climate are able to address both efficiency and human needs within an organization. To have effective leaders at your organization, HR must focus on the importance of leadership development to create leadership that can focus on both efficiency and human needs.

10.4 ACTION LEARNING

HRD is a concept that elucidates learning as a holistic experience based on the action-oriented behavioural change that operates at the individual, group, and organizational levels. Action learning can thus be used to solve emerging problems that confront HRD both functionally and strategically. Some forms of action learning have a coach who helps the team in learning and management.

Professor Reginald Revans was the architect of action learning. While working as a psychiatrist for the Coal Board of UK, he inspired managers to meet in small groups and discuss their experiences; this resulted in a 30% increase of productivity.

He formulated his idea as:

$$L=P+Q$$

(Where L is learning, P is programming, Q is questioning)

The formula was further expanded to $L=P+Q+R$, R being reflection.

10.4.1 COMPONENTS OF ACTION LEARNING

The Components of action learning are:

1. **A problem:** A real life issue that is of considerable importance to the organization and also provides learning opportunities to the team working on it.
2. **A team (action set):** A team is usually composed of 6-8 people. Diversity of background and experience is encouraged as that increases the possibility of different perspectives. Team members may be from different organizations and depending upon the nature of the problem can also be suppliers or customers. A group can work on a single or multiple problems at a time.
3. **A coach:** A coach supervises the whole process. He helps the group in learning and management. During the process, he aids the team in resolving any challenges that arise.
4. **Relevant questions and reflective listening:** This is the most important part of the process. This helps in understanding the problem and coming up with a feasible solution.
5. **Action taken:** The group's decision and recommendations are implemented. Action items are decided by questioning and reflection. Once action is taken it is again reflected upon and future plans are created accordingly.
6. **Learning:** The organization gains short term benefits by solving the problem. However, the learning that the team and its individual members gain while the

process holds greater strategic importance. This experience helps in future problem scenarios and gives the organization tactical advantage of early problem correction.

Action learning is an effective approach to development at all levels, such as individual or organizational. It is considered particularly well-suited for team approaches to problem-solving and helps in team building within an organization. Organizations that respect employee development and take steps to encourage action learning reap the rewards of a more talented and empowered workforce. Many such successful organizations use action learning to achieve workforce development.

10.5 ASSESSMENT AND DEVELOPMENT CENTERS

An assessment center development center is a detailed evaluation of an individual's skills, organizational fitment and developmental needs by assessing them on various competencies, using multiple tools, required to be successful on the job. An assessment center is used by organizations to evaluate their prospective or current workforce for various reasons, such as recruitment, training needs identification, high-potential identification and succession planning.

An **Assessment Center** consists of a standardized evaluation of behavior based on multiple evaluations including: job-related simulations, interviews, and/or psychological tests. Job Simulations are used to evaluate candidates on behaviors relevant to the most critical aspects (or competencies) of the job. Several trained observers and techniques are used. Judgments about behavior are made and recorded. These judgments are pooled in a meeting among the assessors or by an averaging process. In discussion among assessors, comprehensive accounts of behavior, often including ratings, are pooled. The discussion results in evaluations of the performance of the assessee on the dimensions or other variables. There are some basic considerations for running an assessment center which is again the corporate adaptation of an army process. Assessment centers need to have clearly defined competencies with behavioral indicators and scales for evaluation and the techniques used for assessment should assess these very competencies and behaviors. No other competency or behavior apart from the one identified earlier, however profound, is evaluated. There are several techniques used and multiple assessors are involved to assess candidates in different simulations and exercises. The purpose of an assessment center is to enhance the efficiency of talent management processes. Assessment center tests and exercises are used for three primary purposes: to predict future behavior, to make better talent decisions, to diagnose development needs, and to groom potential employees.

The **development center** in HRD is used for development and organizational planning initiatives, which include training needs identification, high-potential identification, leadership development and succession planning. Development Centers and assessment centers are often confused as being the same as they use the same techniques to evaluate employees. But there are certain clear differences between them. A development center like an assessment center uses assessment techniques like simulation, psychometrics etc., but the purpose of it is totally different. A development center as the name suggests is conducted only for the developmental purposes of the

employees. It is conducted to assess potential, to identify strengths and development needs and the end result is a well-documented individual development plan for each participant.

A development center is a highly effective HR tool for designing professional development paths by clearly identifying the strengths and weaknesses of key individuals. The information empowers our clients to focus organizational efforts on developing critical skills and competencies of their employees for tangible and measurable bottom-line results. A development center is an effective method in achieving the company's long term personnel policy objectives. The Work Service and the client examine the results of the evaluations together, identifying skill shortages, establishing organizational benchmarks, and determining what level of employee participation is required. Work Service teams are especially competent in sensitively discussing the evaluation results directly with the participant. The structured feedback provides a roadmap and plan to guide the employee in their personal development in the company.

10.5.1 THE ASSESSMENT AND DEVELOPMENT CENTER PROCESS

There are various assessment and development center processes. Few of them are as follows:

- 1. Job Analysis:** This incorporates an extensive job analysis to determine knowledge, skill and attributes (KSA) to assess job performance. It depends on the purpose of assessment, the job's complexity and prior knowledge about the job. Competencies are defined based on the organization's vision, values and objectives.
- 2. Behavioral Categorization:** Participants' workplace behaviors during ACs must be categorized into relevant groups such as competencies, related behavioral indicators, aptitude, ability, knowledge or broader performance groups.
- 3. Multiple Assessment Methods:** Assessment centers incorporate multiple exercises, including either behavioral simulation or a combination of behavioral, psychometric, competency-based interviews, or situational judgment questions. Data points enable evaluation and validation. However, the tools should undergo a trial to ensure the custom tools gauge requisite and relevant behavioral information.
- 4. Tool for Competency Mapping:** Once the competencies are identified via job analysis, they are then mapped to different assessment tools. As research demonstrates that assessing fewer competencies is a better predictor of performance, at least two tools are employed to map a single competency. In the case of Competency Mapping, the most commonly used psychometric assessments are aptitude, reasoning, achievement, and personality testing. Aptitude tests help to determine the capacity of the individual to acquire a particular type of skill or knowledge.
- 5. Simulation-based Exercises:** The assessee is required to respond to work-related scenarios while being observed by assessors. The wide spectrum of these exercises includes in-basket, group discussions, role-plays, case study presentations,

- business games and fact-finding exercises. At least two simulation exercises are required for an in-depth understanding of an individual's performance.
6. **Assessors:** Assessors play a crucial role in observing and assessing the participants. Assessors with diverse backgrounds and experience observe each participant in at least one simulation exercise. The assessor to assessee ratio is minimized to decrease the cognitive load. To eliminate bias, assessors do not evaluate someone they know. Moreover, the assessor will evaluate different participants in each activity.
 7. **Assessor Coaching:** Before assessment centers, assessors need to undergo two forms of training: behavioral and frame-of-reference. In behavioral training, assessors observe, record and evaluate the assessee's behavior during simulation exercises. In the latter form of training, assessors receive directives on calibrating scores according to pre-decided competencies and relevant behavioral indicators.
 8. **Behavior Analysis and Rating:** Assessors must follow a process to capture relevant behaviors during assessment center tests. This may comprise making notes, behavioral checklists or behaviorally anchored rating scales. Observations may occur post hoc by accessing audio or video clips of test-takers during behavioral simulation exercises.
 9. **Data Consolidation:** Assessors evaluate candidate performance based on their observable behavior through various assessment techniques. During an integration discussion, assessors capture relevant behaviors. Overall assessment rating is used for selection while a combination of OARs and competency ratings are used for development purposes.
 10. **Standardization:** Procedures such as exercise content and duration, role-player behavior, number of participants in group exercises, questions asked by assessors, exercise sequence and scoring are controlled to give a fair chance to the candidates as standardization is crucial for selection and promotion. Exceptions in adherence to standardized procedures are permitted to accommodate candidates with a disability.

10.5.2 ASSESSMENT AND DEVELOPMENT CENTERS: PRACTICE GUIDELINES

Assessment centers can address the majority of an organization's learning and development needs if implemented in the right manner. End-to-end management of the practice can be achieved by implementing the following steps with expert help.

1. **Sensing:** The sensing exercise involves understanding the role and levels under consideration. This step is executed by interacting with some key stakeholders with a detailed understanding of the organization-wide and role-specific expectations. Once SMEs understand the organizational requirements, a position analysis questionnaire is shared with the organization to capture relevant details about critical incidents and experiences specific to a particular organization/profile. This is followed by focused group discussions and visionary interviews with key stakeholders to understand the competencies relevant to employees' success in a specific role/within an organization. SMEs then scan through the details captured in the sensing exercise and identify the tool

composition based on the same. Post this exercise, a tool competency matrix is shared with the client for validation.

2. **Creation and Customization of Tools:** After the finalization of the matrix, experts create assessment tools' content specific to organizational needs. The psychometricians then validate the tools, and the content is sent to the client for validation by their internal stakeholders. Assessment creation is based on the bluebook approved by the company. Additionally, the difficulty level is based on the target audience for whom the ADC is designed.
3. **Administration & Management:** Online proctoring enables participants to appear in the assessment remotely, using laptops or PCs. The test centers are either suggested by experts or the organization in the presence of a proctor. Since there are multiple tools involved, different test links are created for various tools and shared with the participants. This also provides a break to the test-takers between sections.
4. **Offline Activities (In Case of Blended Assessment):** On the day of in-person activity, candidates engage in individual and group exercises onsite in the presence of trained assessors. The assessors observe job-specific behaviors and rate participants accordingly. The assessors then collaborate their offline and online ratings in the form of a report. A short debriefing may happen on the day of the assessment center, but detailed developmental feedback happens after the report generation.
5. **Report Generation:** Assessment center reports serve as a benchmark for employee development plans since the evaluation is based on multiple inputs. Observations about behaviors are made from specifically developed assessment simulations. These judgments are pooled in a meeting among the assessors or by a statistical integration process.

10.6 INTELLECTUAL CAPITAL AND HRD

Intellectual capital is the value of a company's employee knowledge, skills, business training, or any proprietary information that may provide the company with a competitive advantage. Intellectual capital is regarded as a valuable asset, and can broadly be defined as the collection of all informational resources a company has at its disposal that can be used to drive profits, gain new customers, create new products, or otherwise improve the business. It is the sum of employee expertise, organizational processes, and other intangibles that contribute to a company's bottom line. Some of the subsets of intellectual capital include human capital, information capital, brand awareness, and instructional capital.

10.6.1 ELEMENTS OF INTELLECTUAL CAPITAL

In all definitions of Intellectual Capital, the following taxonomy can be recognized:

- **Relationship Capital:** All business relationships a company entertains with external parties, such as suppliers, partners, clients, vendors, etc.
- **Human Capital:** Knowledge and competencies residing with the company's employees.

- **Organizational Capital:** The collective know how, beyond the capabilities of individual employees. For example, Information systems; policies and procedures; intellectual property.

The importance of knowledge pertaining to external parties relevant to an organization has been emphasized as an especially important body of knowledge pertaining to all aspects of the organization.

10.6.2 THE IMPORTANCE OF IMPLEMENTING INTELLECTUAL CAPITAL PROCESSES

A key challenge today is that employees have tremendous knowledge about their job, the business processes, the data that supports their job and those processes, as well as knowledge of how to most effectively make things happen, and the insight about what works and what does not. Unfortunately, in most situations, they have no means, or incentive, to share their knowledge i.e. Their knowledge has not been captured, transferred, or made available to others. One impact of today's recession and unemployment situation is that this knowledge is potentially lost to the organization. Human Resources professionals and managers have a major challenge to obtain and store information about:

- Core job knowledge of all employees, their experience, and their key skill-sets.
- Training is perhaps more important than ever.
- Performance review systems are based upon meaningful metrics.
- Development of effective succession planning systems.
- Leadership and management development programs.

The successful implementation of new technologies, therefore, is dependent on many factors including the efficient management of human resources systems and processes. The Human Resource Departments are well positioned to ensure the success of knowledge management programs, which are directed at capturing and using employees' knowledge, and by meaningfully implementing an appreciation for preserving Intellectual Capital. Global organizations have an even more demanding requirement to capture and understand intellectual capital given differences in language, culture, time zones, and all other forms of communication requirements.

The corporate knowledge base is fluid and must respond to the ebb and flow of required knowledge throughout the organization. Most of the intellectual capital resides in peoples' heads, and one of the objectives of knowledge capture is to reach out and encourage people to share.

10.6.3 EMPLOYEE AND MANAGEMENT TRAINING & DEVELOPMENT

The knowledge repository could also be used for training new employees. This repository would be a ready-made reference source when there are problems to be solved. Capturing intellectual capital and the resulting organizational insights could become core and important functions of Human Resources management. At some

point, metrics would also be useful to indicate usage, to indicate what is and what is not being accessed, and also to give management a sense of the value of the knowledge repository. The types of knowledge that would be relevant for intellectual capital are data definitions, business processes, business rules and procedures, specialized technical knowledge, the “fit” with the corporate culture, management styles, organizational history with customers and vendors, and how data flows through the organization.

10.6.4 STRATEGIES FOR IMPLEMENTING INTELLECTUAL CAPITAL KNOWLEDGE

One pragmatic recommendation for implementing an Intellectual Capital Knowledge process would be to establish a “pilot” program. This pilot could initially focus on an individual department within the organization. The Human Resources Department would be an excellent choice. The purpose of the pilot would be to evaluate the usefulness of this initiative, to learn from its successes and problems, and to provide a template for the capture and dissemination of knowledge in other departments and functional areas. This pilot would need a strong sponsor and facilitator. Perhaps this could initially be the senior level Human Resources person. The title of this person, with regard to a pilot program, would essentially be the Chief Knowledge Officer for the organization. To get this off the ground, the participating employees would need to have a high level of buy-in and commitment to this process. The pilot project should be evaluated for the value it provides to the organization. The primary determinant would be the level of access to the knowledge repository. This knowledge repository would need to be effectively maintained and kept current for it to remain valuable.

With the establishment of a pilot program, starting with the Human Resources Department, data would need to be identified and stored in such areas as: Benefits Administration, Compensation Structure, Compensation Strategies and Practices, Performance Review and Management Data, Recruiting and Hiring Processes, Training & Development Programs, Payroll Services, Human Resource Policies and Procedures, Successful Business Practices, Workplace Safety Information, Data Pertaining To All Compliance Areas, Human Resource Planning Data, Job Descriptions and Job Questionnaire Data, Equal Employment Opportunity Data, Staffing Data, Labor Relations data, Human Resources Management Technologies and An Organization’s “Culture”.

10.7 HRD MECHANISMS FOR WORKERS

The central purpose of HRD for workers is to bring the human being into focus and develop the collective personality and power of workers by creating confidence to influence the course of action. One result of developmental efforts should be to realize the potential of people and help them to recognize the various resources they have at their command: resources of individual strengths as well as resources in the environment. The concept of HRD for workers views workers as people interested and capable of development. It aims at discovering synergy amongst all the concerned and creating winning-models to beat the rampant of this competitive age for which a collegial cooperation between top-management, unions and workers is required. HRD

for workers is quite different in content and processes than perhaps HRD for managerial staff. For example, some basic education and training is taken for granted in any HRD effort for managers but the same may not be the case when attempting to do HRD for workers. The focus, content and mechanisms of HRD for Workers may have to be different from HRD for Managerial staff because there are differences in job requirements, level of knowledge and competence, size of groups to be covered etc. In addition, it would be difficult to propose workers as a group that has common needs for development because the focus and process of HRD for Workers will be different from organization to organization and even plant to plant.

HRD for Workers is a very complex process. Providing education and training only to the workers cannot minimize the complexity. It requires changing the orientations of managers, unions and workers and jointly moving towards development. One of the objectives of HRD is to make human resources competitive. Being competitive means keeping the best employees motivated and ready to meet new challenges. To stay firm and get the optimum level of output, HRD professionals have to take care of the existing diversities. They can be easily seen everywhere: in knowledge area (Highly educated and less educated), skill area (skilled, semi-skilled and unskilled workers), age (young, middle and old), language (local and foreign), sex etc. It is also necessary to keep in mind the diversities that lie in work-sectors (Manufacturing, BPO, NGO, Agriculture, mining etc.) because their work meanings and contents are different from each other. Therefore, keeping in mind the importance of workers and the challenging issues, HRD programmes and mechanisms have to be designed and implemented in such a way that they leverage the differences and motivate workers.

HRD Mechanisms for Workers: There are many mechanisms of HRD for workers. To mention some of the mechanisms herewith: Training, Quality of Work life, Quality circles, Grievance management, Counseling, Workers' participation, Welfare schemes etc. The following summarises the most important aspects of the stated and unspoken procedures, and their effective execution will result in effective HRD for workers.

10.7.1 GENERATIONS IN THE WORKPLACE

There are many benefits of a multigenerational workforce. Each generation can have varied strengths and concerns, and differences in styles and expectations can sometimes create tension. Studying the work habits of each generation and proactively anticipating their needs can help companies devise effective human capital management strategies. Note that dates used to define each generation are approximate; some of your employees' experiences may be more reflective of a preceding or succeeding generation.

- 1) Generation Z (1997–2012)
 - 2) Millennials (1981–1996)
 - 3) Generation Xers (1965–1980)
 - 4) Baby boomers (1946–1964)
 - 5) Silent generation (born between 1928 and 1945)
1. **Generation Z:** Members of Generation Z were born between 1997 and 2012. Raised as digital natives, they may view smartphones and other devices as

essential. Because of the way technology has impacted their connections, people can be more focused on the essence of a person, amusing, witty, intellectual, rather than issues like race or ethnicity, than prior generations. Student debt, which shapes both workplace choices and compensation needs, is a significant concern for Gen Z. **Employee benefits Gen Zers want:** Workplace flexibility is the most sought-after benefit for employees in this age group more than health care or training and development. Other benefits priorities include: assistance with student debt; competitive salaries; financial incentives (raises after completing a project); tuition reimbursement and formal training opportunities etc.

2. **Millennials:** The largest generation in the current workforce, Millennials were born between 1981 and 1996. Many started working during a recession, which has greatly affected how they view their long-term careers. They grew up as the internet revolutionized society, and they're more comfortable communicating digitally than previous generations. More than 9 out of 10 Millennials own smartphones, and they tend to adopt new social media platforms more quickly than older generations. In the workplace, members of this generation may prefer to send instant messages, email, or texts rather than walk across the room to chat with someone, if only for efficiency purposes. **Employee benefits Millennials want:** Millennials value career development opportunities as well as benefits that prioritize a work/life balance. Some examples include: career development programs; monetary gifts; opportunities to give back; on-site daycare and mortgage services etc.
3. **Generation X:** Squeezed between the baby boomers and Millennials, Gen Xers were shaped by the evolution of personal computers. This generation, born between 1965 and 1980, is generally more educated than previous generations. Viewed as self-reliant and hardworking, Gen Xers are often viewed as fiscally responsible. **Employee benefits Gen Xers want:** Gen Xers raising their families may be particularly concerned with healthcare coverage, flexible workforce arrangements, on-site day care, and other perks that support a work/life balance. Additionally, this generation appreciates monetary benefits such as: monetary gifts; stock options; gift cards; tuition reimbursement and mortgage services etc.
4. **Baby Boomers:** Born after World War II, through 1964, baby boomers have long been known for their strong work ethic and goal-centric tendencies. They tend to be hard working and value face-to-face interaction. They didn't grow up using computers, although they will use technology for job-related functions. **Employee benefits baby boomers want:** Because many members of this generation are approaching retirement, they value employment practises that allow them to be flexible. Many experienced staff members will consider staying on the job longer if they're offered reduced schedules, the option of working from home, or alternate hours. Health care and retirement benefits, including a 401(k) match, are also highly desired.

5. **Silent generation:** The silent generation, born between 1928 and 1945, is the oldest group currently working. They grew up without today's technology and many other modern conveniences younger generations take for granted. Many members of this generation have overcome adverse economic conditions in their lifetimes and thus have established diligent financial habits. They're hard workers with strong core values. **Employee benefits the silent generation wants:** As tenured employees, silent generation employees may be focused on healthcare and retirement benefits. They may be working to build up a pension from long-term employment. They may also appreciate flexible work policies, including paid time off, as they transition to full retirement.

10.8 SUMMARY

The leadership development programs in these companies follow the philosophy of grounding them in value, the expected contributions from the leaders are defined, and the organizational culture geared towards inspiring leaders. Next, the performance management system in these companies is tied to the company's business strategy and it includes talent development activities and leadership objectives that are articulated clearly and succinctly. In other words, promotions are based on individual performance as well as people development activities and these in turn are linked to the business strategy and objectives.

Action learning has become quite popular in managing high profile organizations, groups, and individuals. Apart from solving complex challenges in these organizations, action learning has become an icebreaker of tension that used to loom between executive management and the staff. The action learning process is meant to initiate dialogue in seeking a solution. The process is expected to form cohesiveness, which will be a building block for the success of an organization.

Assessment center tests range from psychometric to situational judgment, from case studies to in-box, from group discussions to business presentations. Individuals are called to an assessment center in the case of a traditional approach or sent to a virtual center, where they are offered tests and situations that mirror real workplace situations of that job in that organization. Individuals have to perform the tests to the best of their abilities that allows the organization to predict their performance based on how they perform on the simulation of the job. The development center in HRM is used for development and organizational planning initiatives, which include training needs identification, high-potential identification, leadership development and succession planning.

Intellectual capital is a business asset, although measuring it is a very subjective task. As an asset, it is not booked on the balance sheet as "intellectual capital"; instead, to the extent possible, it is integrated into intellectual property (as part of intangibles and goodwill on the balance sheet), which in itself is difficult to measure. Companies devote a significant amount of time and resources to acquiring management expertise and training their personnel in business-specific areas in order to boost their company's "mental capacity." This capital employed to enhance intellectual capital

provides a return to the company, though difficult to quantify, but something that can contribute toward many years' worth of business value.

The generational gap in the workplace is, broadly speaking, the difference in behavior and outlook between groups of people who were born at distinctly different times. Each generation grows up in a different context and, as a result, may have different work expectations. For instance, members of the silent generation are typically depicted as being very fiscally conservative, while baby boomers may show more liberal fiscal tendencies. Gen Zers are heavily tech-reliant and comfortable using social media platforms, while older generations may prefer other forms of communication.

10.9 SELF-ASSESSMENT QUESTIONS

- Q-1.** Define the concept of leadership development. What are the skills required for developing leadership?
- Q-2.** Discuss the leadership skills development programmes. What is the importance of leadership development?
- Q-3.** Define the concept of action learning. What are the components of action learning?
- Q-4.** Elaborate assessment and development centers. Explain the assessment and development center process.
- Q-5.** What are the practical guidelines of assessment and development centers?
- Q-6.** Define the concept of intellectual capital. Explain elements of intellectual capital.
- Q-7.** What is the importance of implementing intellectual capital processes?
- Q-8.** Elaborate the employee and management training & development.
- Q-9.** Discuss the strategies for implementing intellectual capital knowledge.
- Q-10.** What do you understand about HRD mechanisms for workers? Discuss the generations in the workplace.

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UNIT 11: ROLE OF TRADE UNIONS IN HRD

UNIT FRAMEWORK

- 11.1 Objectives
- 11.2 Introduction
- 11.3 Concept and Definitions of Trade Unions
- 11.4 Objectives of Trade Unions
- 11.5 Role of Trade Unions
- 11.6 Concept and Definition of Industrial Relations
- 11.7 Objectives and Importance of Industrial Relations
- 11.8 Industrial Relations and HRD
- 11.9 Summary
- 11.10 Self-Assessment Questions
- 11.11 Text and References

11.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the concept and definitions of trade unions; trade unions in India
- To determine the objectives of trade unions and role of trade unions
- To elaborate nature and scope of trade union; types of trade union
- To explore the functions of trade unions; HRM practices and trade unions
- To explain the concept and definition of industrial relations
- To discuss about the elements of the industrial relation system; objectives and importance of industrial relations
- To determine the industrial relations and HRD; labour laws in India

11.2 INTRODUCTION

One form of employee representation is trade unions. Trade unions are associations of employees. Trade union is “an organization of workers that aims to protect and advance the interests of its members” (BIS, 2009). Their objective is to sustain and enhance the terms and conditions of work for their members. This is done through collective bargaining with employers. Recognition of the trade union by the company is very important for collective bargaining. Collective bargaining takes place when the trade union negotiates with the employer on behalf of the employees on matters regarding pay and other terms and conditions of employment. Trade unions are of four types: company union, general/industrial union, craft union and white collar union (Cole, 2003). Company unions represent the employees in a single company. General or Industrial union represents employees from several companies belonging to the

same industry. Craft union represents skilled workers in a specific field. White collar unions represent white collar employees e.g., teachers and professors.

Trade unions are set up to protect and promote the interests of employees. The existence of a trade union reduces the possibilities of industrial conflict (Dillon, 2009). Trade unions play a vital role in effective communication between management and employees. They provide the support system to ensure that the differences of opinion do not turn into major conflicts. Trade unions play an active role in negotiations between management and workers in times of disagreement. Trade unions not only represent employees to discuss their pay and benefits, but also provide a voice for the employees to be heard on various other aspects of personnel policies. These include selecting employees for layoffs, retrenchment, promotion and transfer. The personnel selection criterion within an organization may not be fair and transparent. The existence of trade unions ensures that workers have a say in the proceedings and their interests are safeguarded (ILO, 1992).

From the management perspective, it is beneficial to deal with trade union members who represent all the employees rather than deal with employees individually. This saves time and is cost efficient as conflicts can be resolved in a timely manner. This ensures there is no stoppage of work, thus preventing adverse effects on employee productivity and efficiency. Management will get to know from the trade union about the views of employees on various important aspects of the company policies. They can use this information to make important decisions that affect employees (Gennard & Judge, 2005). Becoming a member of a trade union gives employees the confidence that their needs and interests are being protected. This is a source of motivation for workers reducing absenteeism, lower productivity and lower turnover. This ensures that there is optimum utilization of human resources in the organization.

11.3 CONCEPT AND DEFINITIONS OF TRADE UNIONS

The trade union, through an elected leadership and bargaining committee, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. The most common purpose of these associations or unions is "maintaining or improving the conditions of their employment". This may include the negotiation of wages, work rules, occupational health and safety standards, complaint procedures, rules governing status of employees including promotions, just cause conditions for termination, and employment benefits.

11.3.1 DEFINITION OF TRADE UNION

Since the publication of the History of Trade Unionism (1894) by Sidney and Beatrice Webb, the predominant historical view is that a trade union "is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment."

A modern definition by the Australian Bureau of Statistics states that a trade union is "an organization consisting predominantly of employees, the principal activities of

which include the negotiation of rates of pay and conditions of employment for its members."

11.3.2 TRADE UNIONS IN INDIA

In India, the Trade Union movement is generally divided on political lines. According to provisional statistics from the Ministry of Labour, trade unions had a combined membership of 24,601,589 in 2002. As of 2008, there are 11 Central Trade Union Organizations (CTUO) recognized by the Ministry of Labour. The forming of these unions was a big deal in India. It led to a big push for more regulatory laws which gave workers a lot more power. AITUC is the oldest trade union in India. It is a left supported organization. A trade union with nearly 2,000,000 members is the Self Employed Women's Association (SEWA) which protects the rights of Indian women working in the informal economy. In addition to the protection of rights, SEWA educates, mobilizes, finances, and exalts their members' trades. A variety of other organizations represent workers. These organizations are formed upon different political groups. These different groups allow different groups of people with different political views to join a Union.

11.4 OBJECTIVES OF TRADE UNIONS

The main body of a trade union usually consists of individual workers, sometimes professionals and past workers. Their primary aim is to ensure that the employment conditions of employees are respected and that fair working conditions are offered. However, trade unions also engage in issues like:

1. **Negotiation:** One of the main targets of trade unions is to negotiate with employers about the matters affecting their members and other employees at work. If a union is formally recognised by an employer, it can negotiate with the employer over terms and conditions. These negotiations are commonly known as 'collective bargaining'.

Any trade union works to protect and advance the interests of its members. One of the ways it achieves this is by collectively bargaining with employers about the pay and conditions under which its members work. The negotiation process normally deals with matters such as working rules and regulations, complaint procedures, hiring principle, dismissing or promoting employees, workplace safety and policies etc. Some trade unions even have the power to negotiate rates of pay, bonuses for target achievement, employment conditions and job descriptions on behalf of the employees. Unions and employers must agree on how to operate collective bargaining in order for it to be effective. The objective of that collective bargaining or negotiation process is to settle with a mutual agreement also known as 'collective agreement' between the management and the trade union.

2. **Representing Body:** Employees and other workers have the right to be accompanied at a disciplinary or grievance hearing. They can either choose a co-worker or a union representative. Often, the union representative will be a

- workplace representative who is also a co-worker and will support the employee on the board meeting.
3. **Information and Advice:** If someone forms part of a union he/she can also ask them for advice. Unions are experts at solving problems at work. Trade unions provide staff with information, advice and guidance about any work related problems.
 4. **Member Service:** Trade unions provide its members with a variety of services such as training, insurance, financial assistance and legal advice, sickness benefits, education facilities in some cases, guarantee of satisfactory work conditions in areas such as health and safety as well as equal opportunities.
 5. **Voice in Decision Affecting Workers:** Trade unions act as a “spokesperson” for the staff. When matters concerning an individual employee or a group of workers arise, the trade union's job is to voice out the problem in order to negotiate for a solution. In case no agreement is settled or respected, the trade union members may enforce strikes or resistance to lockouts. They can also intervene in order to resist schemes of the management which reduce employment, e.g. restructuring and automation.

11.5 ROLE OF TRADE UNIONS

The role played by trade unions in uniting, protecting and improving the employees has a positive impact on the business. They help management in the recruitment of employees. Trade unions have also started to conduct various training and development activities for the employees. They help in unifying employees coming from diverse social and economic backgrounds by helping them get used to the work conditions in the company. As a result, workers are more aware of the rules and policies in the company. This gives the employees the requisite tools to succeed in their job. With efficient employees, companies can achieve their goals and grow at a faster rate. This will positively impact the economic development of the economy.

According to Cunnison, “Trade Union is a monopolistic combination of wage earners who stand to the employers in a relation of dependence for the sale of their labour and even for the production, and that the general purpose of the association in view of that dependence is to strengthen their power to bargain with the employers”

At times of disagreement and conflict between employers and employees, trade unions play a vital role. They represent all the employees in total. This is called collective bargaining. This makes it easy for management to deal with the trade union members. This helps in building trust and cooperation. The trade union helps in resolving the conflict in a rational manner that is beneficial to both the company and its employees. In such a scenario, the acceptability of the management's decisions by the employees is greater. They have a sense of ownership for the decision-making and therefore will be more committed to achieve the company's objectives. The quality of the decisions may also improve as opinions of employees with the required skills are well represented. The focus is on mutual agreement between management, employees and their representatives for improving employee relations. Trade unions help in fostering cooperation and building industrial relations.

11.5.1 NATURE AND SCOPE OF TRADE UNION

The existence of an influential and recognised trade union is a prerequisite to the industrial development pace of the country. With modernization in different sectors and the formation of new one such as the technological one as well as the tourism sector, human resources were required. However, mistreatment of the Mauritian labour force appears. This is where the trade union emerged; they ensured that the human rights of their members are respected as per the laws and the constitution. Trade Unions are currently considered as a sub-system which attends a precise sub-groups interest. When defending a particular sector they consider themselves as an integral part of the organization in respect to the feasibility, growth and development of the community of which they formed part of. The influence of Trade Unions is of key importance for their members in the following ways:

- First, they are more effective and efficient when the need for negotiation is required between employers and employees by attempting to create a win-win situation.
- They facilitate the flow of communication between workers and the management, by providing the guidance and support to both of them.
- The Union leaders will seek health and safety in the working environment.
- In addition, they also act as an educational institution; they provide different types of courses to their members.
- They also accelerate the pace of economic development for instance; they act as a recruiting and selecting agent for the unemployed workers, managing conflicts in the organization, inculcating corporate social responsibilities to the members among others.
- Trade unions are associations of workers formed to represent their interests and improve their pay and working conditions.

11.5.2 TYPES OF TRADE UNION

There are two main types of trade unions. These are:

1. **Craft or Occupation Union:** This type of union was the earliest type developed, it comprised employees of a particular craft or skill regardless of place of work. The advantage of craft unionism is the sense of solidarity, as there is a feeling of common interest between the members. In addition, as this union bears skilled workers, they have a good economic position for collective bargaining. On the other side, as more and more new mechanical devices were being developed, the need for large numbers of skilled workers decreased.
2. **One-Shop Union or House Union:** The one-shop union organizes all workers in the same establishment or factory. This type of union has the advantage of being relatively easy to organize because all workers share a common goal in securing a good collective agreement for their particular factory. However, as it is small, it has little bargaining power and it is easily dominated by management.

11.5.3 FUNCTIONS OF TRADE UNIONS

Broadly speaking, trade unions perform two types of functions:

1. **Militant Function:** Amongst the various activities performed by trade unions is the betterment of the position of their members in relation to their employment. The aim of such activities is to ensure that all the clauses of the hiring and psychological contract are respected. When the union fails to accomplish these aims through collective bargaining and negotiation, in extreme conditions they adopt drastic measures in the form of go-slow, strike, boycott, work sabotage etc. to make the management react and reconsider their requests. Hence, these functions of the trade unions are known as militant or fighting functions.
2. **Fraternal Function:** Another action performed by trade unions is to provide help to its members in needy times, and improve their efficiency. Trade unions try to nurture a spirit of cooperation, mutual aid and promote friendly relationships and sharing of knowledge and culture among their colleagues. In some cases, they also arrange for legal assistance. Besides these, they undertake many welfare measures for their members, e.g., school for the education of children, library, reading-rooms, in-door and out-door games, and other recreational facilities. These activities, which may be called fraternal functions, obviously depend on the availability of funds, which the unions raise by subscription from members and donations from outsiders, and also on their competent and enlightened leadership. Another broad classification of the functions of unions may be as follows:
 - a. **Intra-mural activities:** These deal with whatever happens on the site of work and has direct impact on employees e.g. wages, strikes.
 - b. **Extra-mural activities:** These activities help the employees to maintain and improve their efficiency or productivity e.g., methods intended to foster a spirit of cooperation, promote friendly relations.
 - c. **Political activities:** Modern trade unions also take up political activities to achieve their objectives. Such activities may be related to the formation of a political party or those reflecting an attempt to seek influence on public policy relating to matters connected with the interests of the working class.
3. **Other Functions:** Trade unions have a number of functions, one more important than the other depending on the situations; however the five main general principles developed have been:
 - a. **The service function:** This involves the delivery of services and assistance to the union members.
 - b. **The representative function:** This implies that the trade union will act like a delegate for the members at the workplace.
 - c. **The regulatory function:** This enables trade unions to actively participate in rulemaking over the workplace. This can be done either: directly multi-employer collective bargaining e.g. through the Joint Industrial Council or indirectly through regulatory legislation
 - d. **The government and public administration function:** Trade unions engage with the government to assure that they can accomplish their respective function within the law.

11.5.4 HRM PRACTICES AND TRADE UNIONS

The disadvantages of trade unions to management are they could lead to increase in wages at an indiscriminate rate. This means higher costs for the company. Also, trade unions consider only the requirements of its members. It gives no importance to the views and needs of employees who are not members. When trade unions impose strikes and lock-outs in the company, it causes a decrease in productivity and profitability levels.

Over the years, the focus in human resource management (HRM) has changed from collectivism to individualism. This means more importance given to engaging employees individually for consultation, communication and resolving conflict. In the individualism management style, the focus is on the views, opinions and needs of each employee. It seeks to bring out the best in every employee in performing their job. In collectivism management style, the company recognizes the importance of having employees' views and opinions represented in management decision-making on personnel matters. The HRM approach that strikes a balance between these two management styles will give importance in building and caring for human resources in the organization.

In the modern era of technological progress and globalisation, human resource management is a management style for managing employee relations in a way that allows employees to perform at their best. There are two versions in defining HRM. The hard version adopts a rational method of dealing with employees and aims at aligning organization strategy and human resource strategy (Bratton & Gold, 2001). It views employees as a cost component that needs to be controlled. The soft version views employees as resources. Its emphasis is on grooming, training and developing employees. It works on increasing employee commitment. It looks upon a skilled and committed workforce as an important competitive advantage.

Human resource management is a key function in a company, which focuses on selecting, recruiting, training and developing employees, and providing a sense of direction to them. Its main aim is to manage the human resources in an organization effectively and contribute in achieving its goals. Functions of HRM include planning, selection, recruitment, compensation and benefits, training, performance appraisal and feedback, communication and motivation of human resources in the company. When a company is established and starts operating on a small scale, usually the owner/manager performs the HR functions. As the company expands, it will be necessary to hire a human resource professional who will be responsible for payroll processing, benefits administration, and HR record-keeping. For the other major HR functions like recruitment and training, managers may need to participate and take the ownership. When a company crosses the 80-100 employees' level, a person specializing in HRM needs to come onboard. (Mathis & Jackson, 2007)

The role of HRM in a company can be split into three: administrative, operational and strategic. The administrative role is to do with clerical responsibilities like paper work and record keeping. If HR's job in a firm is limited to just administrative functions, it provides no purpose for both employers and employees. In the operational role, HR implements the strategies laid out by the management. It ensures that the plans,

policies and strategies of the organization as laid out by the management are carried out by the employees. In this role, HR acts as a liaison between the employer and employees. In the strategic role, HR plays a key role in formulating policies relating to human resources along with the management. HR contributes to the effectiveness and success of an organization by ensuring that employees are well-equipped to perform at their best and make a substantial contribution to the firm. (Mathis & Jackson, 2007)

For the human resource function to be effective in an organization, the operational and strategic role must be given importance in decision-making. This ensures there is adequate communication between employers and employees. It recognizes human resource as a vital component that needs to be groomed and developed for the success of the company. HRM ensures that employees feel motivated, have a sense of purpose and ownership, and contribute to the organization by ensuring that their opinions are spoken and heard on issues that affect them.

11.6 CONCEPT AND DEFINITIONS OF INDUSTRIAL RELATIONS

The term 'Industrial Relations' comprises two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen". Thus the term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship.

J.T. Dunlop defines industrial relations as "the complex interrelations among managers, workers and agencies of the governments".

According to **Dale Yoder** "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

The term industrial relations have a broad as well as a narrow outlook. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations cover all aspects of the employment relationship, including human resource management, employee relations, and union-management (or labor) relations. Now its meaning has become more specific and restricted. Accordingly, industrial relations pertains to the study and practice of collective bargaining, TRADE unionism, and labor-management relations, while human resource management is a separate, largely distinct field that deals with nonunion employment relationships and the personnel practices and policies of employers.

11.6.1 ELEMENTS OF THE INDUSTRIAL RELATION SYSTEM

Three main parties are directly involved in industrial relations:

1. **Employers:** Employers possess certain rights vis-à-vis laborers. They have the right to hire and fire them. Management can also affect workers' interests by

exercising their right to relocate, close or merge the factory or to introduce technological changes.

2. **Employees:** Workers seek to improve the terms and conditions of their employment. They exchange views with management and voice their grievances. They also want to share decision making powers of management. Workers generally unite to form unions against the management and get support from these unions.
3. **Government:** The central and state government influences and regulates industrial relations through laws, rules, agreements, awards of court and the like. It also includes third parties and labor and tribunal courts.

11.7 OBJECTIVES AND IMPORTANCE OF INDUSTRIAL RELATIONS

11.7.1 OBJECTIVES OF INDUSTRIAL RELATIONS

The main objectives of industrial relations system are:

- To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.
- To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
- To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- To build and encourage the creation of an industrial democracy based on labour cooperation in profit sharing and managerial decisions, in order for an individual's individuality to reach its full potential for the benefit of the company and the country.
- To eliminate or minimize the number of strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.
- To improve the economic conditions of workers in the existing state of industrial management and political government.
- Socialization of industries by making the state itself a major employer
- Conferring a proprietary interest of the workers in the industries in which they are employed.

11.7.2 IMPORTANCE OF INDUSTRIAL RELATIONS:

Healthy industrial relations are the key to progress and success. Their significance may be discussed as under:

1. **Uninterrupted Production:** The most important advantage of industrial relations is that it assures production continuity. This means that everyone, from managers to labourers, will be employed indefinitely. The resources are used to their greatest potential, resulting in the highest possible output. There is a steady stream of revenue for everyone. The smooth operation of an industry is critical for various

other industries, including other industries if the products are intermediaries or inputs, exporters if these are export commodities, and consumers and workers if they are mass-market items.

2. **Reduction in Industrial Disputes:** Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promote cooperation and increase production.
3. **High Morale:** Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him alone but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because mighty co-operative efforts alone can produce great results.
4. **Mental Revolution:** The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think of themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize the employer's authority. It will naturally have an impact on production because they recognize the interest of each other.
5. **Reduced Wastage:** Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastage of man, material and machines are reduced to the minimum and thus national interest is protected.

Thus, it is evident that good industrial relations are the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects may be introduced for the welfare of the workers and to promote the morale of the people at work. An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the masses can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be a harmonious relationship between management and labor.

11.8 INDUSTRIAL RELATIONS AND HRD

Organizations today are increasingly exposed to the challenges of managing employee relations and adopt practices that promote a positive work culture. Global competitive pressures have added to the stress levels at the workplace and employee satisfaction

becomes a critical issue in such conditions. Large organizations with more than 100 employees often find it difficult to address employee issues and concerns. Employee representation through collectivism in the form of trade unions, joint consultation committees or individualistic approach that emphasizes on strategies like personal development plans, performance appraisals and career progression are some of the alternatives available to the organization. Changes in managerial approach are a requirement for organizations to adapt to changing operating and business environment conditions. "In traditional organizations, directing involves giving assignments, explaining routines, clarifying policies, and providing feedback on performance" (Nickels, 2008). This style of management has been replaced by a more encouraging approach that involves increased participation of the workforce in the decision making process. Employee empowerment strategies and a participative leadership approach are increasingly finding their acceptance within organizations since it promotes organizational efficiency in terms of productivity and performance. Flexible organizational structures that are distinguished by reduced layers of hierarchy are much favoured for their role in improving existing work culture and employee commitment levels.

There are numerous other employee management strategies that can be implemented by the organization to ensure increased performance levels and adherence to quality standards. This includes performance appraisals, team meetings, one-to-one discussion forums, personal development plans and feedback sessions that encourage a healthy exchange of views and suggestions. The organization should outline and explain the step-by-step procedure that needs to be followed by the employees and the managers in fulfilling the objectives of performance appraisals and personal development plans. The managers should be provided with adequate guidelines on the way the system should work, how often the plans need to be reviewed and trained in the ways of conducting effective appraisal sessions. Documentation of each phase of these plans is necessary to provide the managers and employees with improved clarity on the goals decided, action plans drawn, review period and feedback of the session.

Improved communication can help in motivating employees, increasing productivity and result in improved customer service. But it needs to be understood that the communication process is not simply conveying the message. It is a two-way process that needs interaction between the two parties. The management and the employees need to interact on how the managerial strategies are going to take shape and what are the best possible ways to minimize risks and hurdles in the process. Giving the employees a chance to participate in management decisions not only makes them feel valuable but also ensures their support and enthusiasm in the whole process. Another vital ingredient for a successful communication process is consistency. The management policies need to be consistent in their approach to instill trust and confidence in the employees.

11.8.1 LABOUR LAWS IN INDIA

Labor laws act as the backbone of human resource management. It fights for the rights of the employees and the laborers working with the company. Thus, without the

engagement of labor law, there is no human resource management. There is no validity for human resource management without abiding the labor laws. Sometimes, non-compliance of labor laws may result in serious consequences like penalization or imprisonment or both, based on the gravity of the incident. Let us see a few labor laws that are being followed in India:

1. Workmen's Compensation Act, 1923
2. The Factories Act, 1948
3. The Payment of Gratuity Act, 1972
4. The Payment of Wages Act, 1936
5. The Trade Union Act, 1926
6. The Industrial Disputes Act, 1947
7. Minimum Wages Act, 1948
8. The Payment of Bonus Act, 1965
9. The Employees' Provident Fund Scheme, 1952
10. The Child Labor (Prohibition & Regulation) Act, 1986
11. Maternity Benefit Act, 1961
12. Maternity Benefit (Amendment) Act, 2017

Furthermore, there is another constant: an individual worker's economic dependence on an employer remains the underlying truth of their relationship, with major potential ramifications for safety and health. The employer is viewed as having a general responsibility to provide a safe and healthy workplace, as well as to train and equip employees to perform their jobs safely. The worker has a reciprocal duty to follow safety and health instructions and to refrain from harming himself/herself or others while at work. Failure to live up to these or other duties can lead to disputes, which depend on the labour relations system for their resolution. Dispute resolution mechanisms include rules governing not only work stoppages (strikes, slowdowns or go-slows, work to rule, etc.) and lockouts, but the discipline and dismissal of employees as well. In many countries, businesses are also obligated to engage in various safety and health institutions, perform safety and health monitoring, report on-the-job accidents and diseases, and, indirectly, compensate workers who suffer from an occupational injury or disease.

The implications of human resources management for industrial relations practices remain a source of some controversy. This is particularly the case for types of workers' participation schemes that are perceived by trade unions as a threat. In some instances human resources management strategies are pursued alongside collective bargaining; in other cases the human resources management approach seeks to supplant or prevent the activities of independent organizations of workers in defense of their interests. Proponents of human resources management maintain that since the 1970s, the personnel management side of human resources management has evolved from being a maintenance function, secondary to the industrial relations function, to being one of critical importance to the effectiveness of an organization (Ferris, Rosen and Barnum 1995). Human resources management is a tool for management to employ as part of its personnel policy rather than a relationship between an employer and workers' chosen representatives.

11.9 SUMMARY

The Trade Union or Labour Union movement is a continuous and voluntary association whose membership comprises salary earners, employees and union leaders. Those members have bonded together motivated by a simple motto "Unity makes strength". Workers will therefore utilize trade unions as their representative voice when dealing with employers or on the board of directions. Independently, the workers do not bear the power to defy the top management. Therefore they grouped and sought to institute their terms and conditions of employment. When they realised that negotiating as an individual, the manager would be more powerful, due to the fact that an individual would not matter as much as a group in regard to running an organization.

The main role of a trade union is to ensure the welfare of its members, such as safeguarding the interests of its members, protecting the reliability of its trade, and achieving higher wages by securing economic benefits. It also optimizes the working conditions at the workplace and guarantees job security while protecting members against unfair dismissal at workplace. Through its leadership, the trade union engages in collective bargaining, whereby labour contracts are negotiated with the employers. Also it acts as a recruiting manager, the Union leaders interfere with the recruitment and selection of the company, its intention is to maximize the number of employees an employer can hire.

The increase in market competitiveness has resulted in the adoption of strategic plans that focus on employee welfare and development schemes. "Collective relationships are now based on relatively more cooperation in which both parties are motivated to add value to the organization" (Gennard & Judge, 2005, p11). The evolving employment relationships emphasize the success of the enterprise through developing employee trust and commitment, enhancing job satisfaction, employee participation in decision making process, and increasing organizational productivity, profitability and efficiency (Gennard & Judge, 2005).

11.10 SELF-ASSESSMENT QUESTIONS

- Q-1.** What do you understand about the concept of trade unions? Explain the trade unions in India.
- Q-2.** Explain the objectives of trade unions.
- Q-3.** Discuss the role of trade unions. What is the nature and scope of a trade union?
- Q-4.** What are the types of trade unions and functions of trade unions?
- Q-5.** Elaborate the HRM practices and trade unions.
- Q-6.** Define the industrial relations. What are the elements of the industrial relation system?
- Q-7.** Discuss the objectives and importance of industrial relations.
- Q-8.** Explain the industrial relations and HRD. Describe the labour laws in India.

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UNIT 12: INFLUENCE OF MOTIVATION ON DEVELOPMENT ACTIVITIES

UNIT FRAMEWORK

- 12.1 Objectives
- 12.2 Introduction
- 12.3 Influence of Motivation on Development Activities
- 12.4 Importance of Motivation in Human Resource Development (HRD)
- 12.5 Theories of Motivation
- 12.6 Content Theories of Motivation
- 12.7 Process Theories of Motivation
- 12.8 Summary
- 12.9 Self-Assessment Questions
- 12.10 Text and References

12.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the influence of motivation on development activities
- To determine the types of motivation and top factors influencing motivation
- To elaborate advantages of motivation and disadvantages of motivation, examples of motivation
- To explore the importance of motivation in human resource development (HRD)
- To explain the theories of motivation, content theories of motivation and process theories of motivation

12.2 INTRODUCTION

Human resources development refers to the management, training and improvement of employees. The end goal is to sharpen current skills and teach new ones to increase efficiency. When addressed properly, workplace motivation instills pride and a desire to excel. Such zeal can be instilled in you through your personal management abilities rather than through training. Because motivation is centered on employees, it's important that you show them appreciation and understanding. They're the foundation of your business, so treat them accordingly. Make it clear that your staff can approach you at any time to address issues. However, limit all conversations to private meetings and ask questions about how you can resolve the problem for them to make their job easier and more fulfilling. The same applies if a staff member's personal problems affect his work. Ask if there is anything you can do to help, even if he simply needs

someone to talk to. Developing an effective reward system is a matter of balance. Ultimately, it falls into two broad categories: compensation and acknowledgment. Compensation includes raises, bonuses and prizes for top performers. Acknowledgement, on the other hand, is a simple "thank you" or "congratulations." However, you can't choose one or the other, as they're codependent. Compensation should be your main focus, while supporting employees through praise gives them an extra push to perform well. Acknowledgment is fairly straightforward, and your monetary reward system should depend on your business. For example, if your company is sales-focused, you can offer prizes such as electronics or gift certificates to top salespeople in lieu of simple cash.

12.3 INFLUENCE OF MOTIVATION ON DEVELOPMENT ACTIVITIES

Employee's motivation has a fundamental role in each organization which establishes strategic objectives for achieving high performances. There can be underlined a direct relationship between employees' motivation dimensions and human resources performance obtained at the workplace. In such a context, it appears as very significant to managers to identify the motivational factors which determine employees to perform during accomplishing their daily work activities.

The managers have to understand; the HR Professionals set the general framework for the people management in the organization. They select the suitable employees during the recruitment and staffing process. They are not responsible for daily work with the employees. HR and managers have to agree on a common approach towards employee motivation. The managers always argue about the salaries of employees and their motivation. But HR and the top management sets the limits and managers have to live within the given boundaries by the compensation policy. The employee motivation is not about salaries, it is about the approach toward employees. In each organization, there are departments with no fluctuation and there are departments with high fluctuation. The main difference between the departments is the approach of the manager to his or her employees. Human Resources have always defeated its role in employee motivation. When the organization runs the survey about the employee motivation and the employee satisfaction, HR has to play an active part in the whole survey and it has to demonstrate the HR tools to motivate employees. The survey should not be about the satisfaction with Human Resources, it should be about the managerial skills to work with the tools provided from Human Resources.

Definition of Motivation: Motivation is defined as the feeling based on which a person acts or behaves regarding a particular task or activity. Motivation is a human psychology factor which drives or pushes a person to behave in a particular way. When the motivation is positive, a person is happy, energetic, enthusiastic & self-driven and when it is negative motivation, the person is demoralized, sad, lethargic & pessimistic.

12.3.1 TYPES OF MOTIVATION

It is driven by several factors which influence the behavior and attitude of an individual. Based on the different factors and the kind of impact it has on a person, there are different types of motivation. The different types of motivation in people are:

1. **Intrinsic:** This type comes from within a person to do a task or achieve a particular goal. It is a feeling of being self-driven and achieving objectives for oneself. Intrinsic motivation is driven by motives like social acceptance, eating food, desires to achieve goals, biological needs etc.
2. **Extrinsic:** This type drives an individual due to external forces or parameters. Some other person or organization motivates the individual to work hard to achieve certain goals or tasks. Extrinsic motivation is driven by motives like financial bonus, rewards, appreciation, promotion, punishment, demotion etc.
3. **Positive:** This type drives an individual by offering positive accolades and rewards for performing a task. In this type of motivation, the individual is rewarded by monetary benefits, promotions etc. which drives an individual to work hard.
4. **Negative:** is where fear and threat are used as a parameter to get the work done. In this type of motivation, individuals are threatened with things like demotion, reducing benefits, withdrawing merits etc.

For every individual, all the types are interlinked based on which he or she takes an action. The incentive kinds that have influenced a person's behaviour are reflected in the person's behaviour.

12.3.2 TOP FACTORS INFLUENCING MOTIVATION

Keeping employees motivated is the biggest challenge for companies for ensuring that they give a high productive output at work and help in achieving company goals. A positive motivation amongst employees helps drive the business positively & enhances creativity. On the other hand, a demotivated employee will not contribute efficiently and slow down progress at the workplace. The key elements & top factors which influence employees in business or people in general are as follows:

1. **Salary:** Monetary compensation & benefits like gross salary, perks, performance bonuses etc. are the biggest motivation factors. The better the salary and monetary benefits, the higher is the motivation level & passion of a person towards a job.
2. **Recognition:** Rewards, recognition, accolades etc. are important for ensuring high enthusiasm levels for an employee. If the hard work of an individual is appreciated, it keeps them motivated to perform better.
3. **Work Ethics:** Ethical working environment, honesty etc. are important factors for any individual. Good work ethics in a company helps keep employees motivated at work place.
4. **Transparency with Leadership:** The leadership in an organization helps in employee motivation if there are transparent discussions and flatter hierarchies. The senior management has to ensure that all subordinates are happy, focused & motivated.

5. **Culture at Work:** A good, vibrant, positive culture at the workplace is always an important factor. People from different backgrounds, religions, countries etc working together helps create a social bond at the workplace.
6. **Learning and Development:** Another factor influencing is the training and development opportunities that a person gets. L&D helps individuals develop more skills and have better opportunities in their professional career.
7. **Work Life Balance:** Having a good quality of work life (QWL) helps in the motivation of people. A good work life balance ensures that a person can give quality time to both office work as well as family.
8. **Career Growth Opportunities:** Career development opportunities have a positive influence on the motivation of any person. If a person knows their future & career path is secure, they tend to work with more passion.
9. **Health Benefits:** Health benefits, insurance & other incentives act as a source of motivation for people. If the medical bills, hospitalization charges etc are taken care of by the company, it helps build a strong trust.
10. **Communication:** A positive & transparent communication between managers and subordinates gives a sense of belonging and adds to the employee's motivation. Discussions related to work as well as personal life help make a friendly bond at the workplace.

There are no finite factors influencing the positive attitude of an employee. These keep on changing depending upon the type of environment, job responsibility, experience in life etc. Hygiene Factors of motivation are also given by the Hygiene Theory.

12.3.3 ADVANTAGES OF MOTIVATION

There are several advantages to an employee being motivated at work. Some of the main benefits of motivation for employees and companies are as follows:

1. Feeling of belongingness and self-respect.
2. A motivated employee is excited to learn and contribute more.
3. Higher productive output due to positive motivation.
4. Reduced absenteeism and lower attrition.
5. Employees high on motivation help reduce costs & improve profits.
6. Reduce stress & anxiety at the workplace.

12.3.4 DISADVANTAGES OF MOTIVATION

Despite several advantages, there are some probable drawbacks as well. Some of them are:

1. It is a relative feeling and hence there is no way of ensuring that everyone would feel the same way.
2. Motivating employees in a company requires additional efforts, money and time on employee related activities.
3. It is mostly a short-term feeling. Afterwards a person becomes demotivated or even uninterested about a particular task.

12.3.5 EXAMPLES OF MOTIVATION

Motivation is relevant in every field of life for any individual. There can be many examples based on type, situation, field of work etc. Some examples are as follows.

- Consider a person who has joined a university. After a lot of hard work, he or she gets admission in their preferred course. Hence the intrinsic motivation for the individual would be to perform well in academics, get a good score, learn new skills and get a job opportunity with a good company. Since this is an internal feeling, the driving motives are achieving a personal goal.
- An example of extrinsic motivation can be seen from a footballer, cricketer or any other sportsperson. Any athlete wants to excel in their sport not just for themselves, but also to become a fan favourite and gain attention from the public. Hence, he or she gets highly motivated by this external factor which drives them to perform better in their sport.

12.4 IMPORTANCE OF MOTIVATION IN HUMAN RESOURCE DEVELOPMENT (HRD)

Motivation is one of the most important concepts in HRD. In most organizations, it is common to hear the refrain that a particular employee is not motivated and hence his or her performance has taken a backseat. This is the reason companies spend humongous amounts of money in arranging for training sessions and recreational events to motivate the employees. Motivation can be understood as the desire or drive that an individual has to get the work done. For instance, when faced with a task, it is the motivation to accomplish it that determines whether a particular individual would complete the task according to the requirements or not. Further, the absence of motivation leads to underperformance and loss of competitiveness resulting in loss of productive resources for the organization. It is for this reason that the HR managers stress on the employees having high levels of motivation to get the job done.

There are many theories of motivation and the ones being discussed here are Herzberg's hygiene theory, Maslow's need hierarchy theory, and McGregor Theory X and Theory Y.

Herzberg's Hygiene theory states that for employees to be motivated, certain conditions need to exist and the absence of these conditions or the hygiene factors demotivate the employees. The point that is being made in this theory is that the presence of hygiene factors is a precondition for performance and is not a determinant of performance. On the other hand, the absence of these factors actually demotivates the employee. Hence, the bottom line is that companies should have the basic conditions under which employees work fulfilled so that there is no drag on the performance.

Maslow's need hierarchy theory postulates that individuals are motivated according to a hierarchy of needs which start from a situation of basic needs and then go on to need for recognition and finally, the need to actualize one's vision and reach the highest stage of personality. The point that is being made in the theory is that individuals progress from one stage to the other depending on how well the needs at each stage

are met. So, organizations have to ensure that employees' needs are taken care of at each level so that by the time the employee reaches the top of the ladder, he or she is in a position to actualize them. Finally, McGregor's theory of motivation alludes to the carrot and stick approach that is favored by many managers. This theory states that employees can be motivated by a dual pronged strategy of rewarding them for good work and punishing them for bad work. The opposites of these reactions mean that employees have a strong incentive to do well as opposed to doing badly.

Motivation of employees is indeed important for the health of the companies. Only when employees are motivated sufficiently can they give their best. Typically, companies focus on compensation and perks and benefits as a strategy to motivate employees. However, as we have seen in this article, employees are motivated by factors other than pay and hence, the HRD function must take cognizance of this fact and proceed accordingly. This means that the need for job satisfaction and fulfillment have to be taken care of as well for the employees to reach their potential.

12.5 THEORIES OF MOTIVATION

There are several Theories of Motivation that are developed to explain the concept of "Motivation". The motivation is a drive that forces an individual to work in a certain way. It is the energy that pushes us to work hard to accomplish the goals, even if the conditions are not going our way. With the establishment of human organizations, people tried to find out the answer to what motivates an employee in the organization the most. This gave birth to several content theories and process theories of motivation. The content theories deal with "what" motivates people, whereas the process theories deal with "How" motivation occurs. Thus, theories of motivation can be broadly classified as:

A. Content Theories: The content theories find the answer to what motivates an individual and is concerned with individual needs and wants. Following theorists have given their theories of motivation in content perspective:

1. Maslow's Theory
2. Frederick Herzberg Motivation-Hygiene Theory
3. Alderfer ERG Theory
4. McClelland's Need Theory

B. Process Theories: The process theories deal with "How" the motivation occurs, i.e. the process of motivation and following theories were given in this context:

1. Skinner's Reinforcement Theory
2. Vroom's Valence / Expectancy / Vie Theory
3. Adams' Equity Theory Of Motivation
4. Locke And Latham's Goal Setting Theory

Thus, these theories posit that how an individual gets motivated to perform the task and what are the factors that contribute towards the motivation.

12.6 CONTENT THEORIES

Content theory is a subset of motivational theories that try to define what motivates people. Content theories of motivation often describe a system of needs that motivate peoples' actions. While process theories of motivation attempt to explain how and why our motivations affect our behaviors, content theories of motivation attempt to define what those motives or needs are. Content theory includes the work of David McClelland, Abraham Maslow and other psychologists.

12.6.1 MASLOW'S THEORY

We each have a hierarchy of needs that ranges from "lower" to "higher." As lower needs are fulfilled there is a tendency for other, higher needs to emerge." Maslow's theory maintains that a person does not feel a higher need until the needs of the current level have been satisfied.

1. **Physiological needs:** The need for food, shelter, and clothing.
2. **Safety Needs:** Provide a working environment which is safe, relative job security, and freedom from threats.
3. **Social Needs:** Generate a feeling of acceptance, belonging by reinforcing team dynamics.
4. **Esteem Motivators:** Recognize achievements, assign important projects, and provide status to make employees feel valued and appreciated.
5. **Self-Actualization:** Offer challenging and meaningful work assignments which enable innovation, creativity, and progress according to long-term goals.

12.6.1.1 Limitations and Criticism

- Maslow's hierarchy makes sense but little evidence supports its strict hierarchy.
- Research has challenged the order imposed by Maslow's pyramid.
- As an example, in some cultures, social needs are regarded higher than any others.
- Little evidence suggests that people satisfy exclusively one motivating need at a time.

12.6.1.2 The Public and Business View

Maslow's hierarchy of needs theory has always been popular with the public. People like it because they find it really easy to relate to. It's simple and clear and all the needs captured in the model are things that individuals have thought about before. The model is intuitive. When people look at it they can see themselves in it, they can determine where they are on the pyramid, and they can easily see others in it as well.

This easy connection with the model has meant that Maslow's hierarchy of needs has become popular in the business world as well. It frequently appears in leadership and personal development programs as a tool that individuals and leaders can use to assess motivations and motivational drivers.

12.6.1.3 Using the Model in the World of Work

From a work perspective, Maslow's hierarchy of needs is most commonly used as a personal development and self-reflection tool. Generally speaking, the model is delivered through training or facilitation to individuals who then reflect on it and use their thoughts to inform things like their development or career plans. As such, the model can be helpful as a direction setting tool for improving satisfaction. Leaders can also use the model as a tool to use in coaching the individuals within their team.

12.6.2 FREDERICK HERZBERG MOTIVATION-HYGIENE THEORY

Frederick Herzberg performed studies to determine which factors in an employee's work environment caused satisfaction or dissatisfaction.

Satisfiers: Motivators	Dissatisfies: Hygiene factors
Motivating Factors	Hygiene Factors
<ul style="list-style-type: none">• Achievement• Recognition• Work itself• Responsibility• Advancement• Growth	<ul style="list-style-type: none">• Relationship w/Boss• Relationship w/Peers<ul style="list-style-type: none">• Supervision• Salary• Work conditions• Company policy

12.6.2.1 Frederick Herzberg Model Means for Organizations and Leaders

One key lesson from Herzberg's Two Factor Theory of Motivation is that organizations and leaders need to get the basics right first. It's only once they have successfully provided an individual with the basic hygiene factors that the individual will become moderately satisfied. Furthermore, it's only once their hygiene factors have been met that an individual will start to be motivated by, and achieve higher levels of performance as a result of motivating factors.

12.6.3 ALDERFER ERG THEORY

- **Existence:** Similar to Maslow's Physiological and safety needs. Needs satisfied by factors such as food, air, water, pay, and working conditions. Basic material existence requirement.
- **Relatedness:** Similar to Maslow's Social need and external component of esteem need. Desire for maintaining social and interpersonal relationships.
- **Growth:** Similar to Maslow's esteem need and self-actualization. Intrinsic desire for personal development.

ERG theory => More than one need may be operative at the same time.

Alderfer also deals with **frustration – regression**. i.e., a higher order need is frustrated; an individual then seeks to increase satisfaction of a lower order need.

Alderfer's ERG theory of motivation builds on Maslow's Hierarchy of Needs and states that humans have three core types of need: Existence, Relatedness and Growth. These needs may be of different levels of priority for different individuals, and their relative importance for an individual may vary over time. Alderfer's model says that all humans are motivated by these three needs. The most concrete and motivating of Alderfer's three needs is existence, which really relates to physical and psychological survival. The next level is the need for relatedness, a sense of community and a good relationship with you. The least concrete, but still important, of Alderfer's needs in the ERG model is growth, which really relates to self-development, fulfillment and the sense of achieving your potential.

12.6.3.1 The ERG Model in the World of Work

Alderfer's ERG Theory of Motivation, though, upends this thinking. Under Alderfer's model, individuals can be motivated by different levels at the same time, and have their motivational priorities change in relation to their sense of progress. Given this, individuals should not focus on one level of need at a time. Instead, they may wish to balance their motivations across levels. Similarly, leaders should not focus on helping the members of their team satisfy one level of need at a time. Instead, they should be aware of the blend of needs that humans can have and help their team member's progress in relation to a blend of needs, which will change over time.

12.6.4 MCCLELLAND'S NEED THEORY

McClelland's Acquired Needs Motivation Theory says that humans have three types of emotional needs: achievement, power and affiliation. Individuals can have any mix of these needs. Their motivations and behaviors are shaped by the strength and blend of their specific needs.

12.6.4.1 Need for Achievement

The desire is to be successful and complete a difficult task. A need to accomplish and demonstrate competence or mastery is important.

Work Preferences: Individuals with a high level of emotional need for achievement want to be constantly overcoming challenging, yet achievable, tasks. They thrive on being slightly stretched and on the feeling of reward they receive when they complete a deliverable. These individuals have a moderate level of risk tolerance in relation to the work they like to do. They know that if their activities are too risky they may fail and not receive the hit of achievement they desire. However, if they are not risky enough, their achievements won't feel truly rewarding.

12.6.4.2 Need for Affiliation

Desire to spend time in social relationships and activities are needed for affiliation. A need for love, belonging and relatedness are important.

Work Preferences: Individuals with a high level of emotional need for power want to be constantly competing with, directing, managing and exerting influence over others. They thrive on winning in competitions with others and the sense of increased status that winning brings them. These individuals typically end up with high levels of risk tolerance. Their often highly competitive natures and their need for ever increasing status means they may take ever increasing risks in an effort to increase their status and control.

12.6.4.3 Need for Power

Desire to influence, coach, teach, or encourage others to achieve. A need for control over one's own work or the work of others.

Work Preferences: Individuals with a high level of emotional need for affiliation want to be constantly working in an environment where people feel welcomed, included, harmonious and collaborative. They are often socially perceptive and work towards maintaining effective social relationships and creating positive environments. These individuals typically end up with fairly low levels of risk tolerance. Their desire for social harmony means they don't want to "rock the boat" or take on activities that may upset people or lead to conflict.

12.7 PROCESS THEORIES OF MOTIVATION

In the motivational process model, motivation is defined as a series of dynamic processes including generation, maintenance, and regulation of motivation of which primary functions are approach toward reward, learning through decision-making based on value, and cognitive control for goal pursuit. Process theories of motivation try to explain why behaviors are initiated. These theories focus on the mechanism by which we choose a target, and the effort that we exert to "hit" the target.

12.7.1 SKINNER'S REINFORCEMENT THEORY

Reinforcement theory says that the outcomes we experience as a result of our actions and behaviors affect how we behave in the future. When actions result in positive outcomes, we do more of them. When they result in negative outcomes, we do less of them. Argues that if a behaviour produces positive results, it is likely to be repeated. Whereas behaviour that results in punishing consequences is less likely to be repeated. There are four types of reinforcement that can result from behaviour i.e. 1- Positive reinforcement, 2- Avoidance, 3- Punishment and 4- Extinction.

1. **Positive reinforcement** Rewards desirable behaviour. Ex: a pay raise or promotion is provided as a reward for positive behaviour with the intention of increasing the probability that the desired behaviour will be repeated.
2. **Avoidance** is an attempt to show an employee what the consequences of improper behaviour will be. If an employee does not engage in improper behaviour, he or she will not experience the consequence.
3. **Punishment** is an attempt to decrease the likelihood of a behaviour recurring by applying negative consequences. Ex: threats, docking pay, suspension

4. **Extinction** is basically ignoring the behaviour of a subordinate providing either positive or negative reinforcement. This technique should only be used when the supervisor perceives the behaviour as temporary, not typical, and not serious. Ex: Classroom teachers often use this technique when they ignore students who are “acting out” to get attention.

12.7.1.1 Reinforcement Theory in the World of Work

If someone performed a very good job on a piece of work, their manager would invite them to present it themselves at a more senior meeting as an example of reinforcement theory in the workplace. This would be a positive reinforcement which would lead to more good behavior in the future. An example of a punishment could be that if someone consistently arrived late, that they would not be permitted to attend the monthly team lunch. The theory is that the individual would wish to avoid the punishment in the future so would arrive at work on time. One further thing worth noting in relation to reinforcement theory is that it's possible to change behaviors with very small punishments and reinforcements. This concept of micro adjustments crosses over slightly with the concept of nudging.

12.7.2 VROOM'S VALENCE / EXPECTANCY / VIE THEORY

Vroom's expectancy theory of motivation says that individuals are motivated to do something by three things. They are motivated when they value the reward associated with an action, trust that they'll receive the reward if they do a good job and believe that they have the ability to achieve their objectives by working hard. Indicates that one's level of motivation depends on:

- The attractiveness of the rewards sought and
- The probability of the rewards obtained.

In the case of employees feeling that they get the value from business organizations and they put higher effort. Vroom says that an individual's motivation is a product of several factors. It is based on three key variables: 1. Valence, 2. Instrumentality and 3. Expectancy

1. **Valence:** The feeling about specific outcomes is termed valence. People prefer certain outcomes from their behaviour to others.
2. **Instrumentality:** It is the association between first-level outcomes and second-level outcomes.
3. **Expectancy:** It is a relationship between a chosen course of action and its predicted outcome.

12.7.2.1 Vroom's Expectancy Theory of motivation means for leaders and organizations: Vroom's concept clarifies the need for leaders or organizations to the following:

1. **Provide rewards that individual's value:** These could be intrinsic aspects designed into rewarding role descriptions, they could be recognition, they could be new opportunities or they could be financial rewards. In fact, there could be a

huge range of things. The important point is that you find the right rewards for your people.

2. **Set achievable objectives for individuals:** The objectives you set don't need to be easy. But they do need to be in the power of your team members to achieve. This may mean that the individuals in your teams need to be empowered to achieve things and it may mean that they need to be supported to do so. It also means that the system that you are asking them to operate within isn't stacked against them.
3. **Provide promised rewards when they are earned:** This is all about trust. To be trustworthy in this context you need to provide the implicit and explicit outcomes and rewards that you have agreed to provide. If you don't do this, trust will be broken. When trust is broken individuals will cease to be motivated by your proposed rewards.

12.7.3 ADAMS' EQUITY THEORY OF MOTIVATION

J. Stacey Adams' equity theory is a process model of motivation. It says that the level of reward we receive, compared to our own sense of our contribution, affects our motivation. The theory considers the concept of equality and fairness, as well as the importance of comparison to others. Adams' equity theory of motivation says that to be motivated, individuals need to perceive that the rewards they receive for their contributions are fair, and these rewards are similar to those received by their peers. If individuals perceive that their rewards are not fair, they will feel distressed and try to change things to create a sense of fairness.

12.7.3.1 Contributions and Benefits

Adams' Equity Theory of Motivation says that the relationship between an individual's inputs (contribution) and their benefits (reward) is important for their sense of fairness and equity, thus for their motivation. To make more sense of this though, we need to understand what types of things constitute both inputs and benefits.

12.7.3.2 Model Means for Individuals/ Organizations/ Leaders/ Managers

Expresses those individual perceptions on how they are being treated by the organization compared to other employees in the similar organizational level. Motivation is influenced significantly by others' rewards as well as by one's own rewards. Most research has focused on pay, but employees seem to look for equity in the distribution of other rewards. Historically, equity theory focused on distributive justice. But increasingly equity is thought of from the standpoint of organizational justice. Managers should consider openly sharing information on how allocation decisions are made, following consistent and unbiased procedures. To address the perceptions around the relationship between contributions and rewards, leaders and managers should strive for transparency over what each member of their team is contributing. When individuals lack this type of information, they often fill that

information void with speculation that isn't helpful. To overcome this leaders and managers should ensure their teams are kept as well informed as possible. They should also work hard to establish a culture of fairness, celebrate acts of fairness, capture values around fairness and tell stories that relate to fairness.

12.7.4 LOCKE AND LATHAM'S GOAL SETTING THEORY

Locke and Latham's goal setting theory details five key principles that support the creation of effective and motivating goals. These are: Clarity, Challenge, Acceptance, Feedback and Complexity.

1. **Clarity:** For goals to be motivating they need to be clear and they should be concise. Ambiguity or complexity makes it harder for people to understand goals. This, in turn, makes them less motivating.
2. **Challenge:** A goal to lose 5lbs is motivating, a goal to lose 50lbs might not be. Goals need to be challenging to the right level in order to be motivating. To be motivated, individuals need to feel that their goals are stretching. They need to believe that achieving their goals would feel like a genuine achievement. However, individuals will not be motivated if their goals are too challenging. If goals are too stretching, individuals will give up before the start and not even try to achieve them.
3. **Commitment:** Goals must be acknowledged by the individuals tasked with accomplishing them in order to be truly inspiring. Just because someone proposes a goal doesn't mean that an individual actually accepts it. Goal acceptance occurs in different ways. Sometimes individuals may simply accept a goal proposed by someone else, but sometimes individuals will be more accepting of a goal if they help define it themselves.
4. **Feedback:** For individuals to be motivated by goals they need to understand how they are doing in relation to them. To understand how they are doing in relation to their goals, people need to have timely and accurate performance related feedback. This feedback can take many different forms, including metrics, data or feedback from others. The specific type of feedback that is appropriate will depend on the type of goal being pursued. That said, some form of feedback is always beneficial.
5. **Task-Complexity:** Leaders should set goals at the right level of complexity. Leaders should use multiple goals for complex tasks and objectives. If single goals are set for highly complex tasks, they tend not to be effective. Given this, it's important to break goals down into bite-size, comprehensible chunks.

There are many different types of goals and they are all important for organizations, leaders and individuals. We think Locke and Latham's Goal Setting Theory are one of the most useful ways to think about goals. That said, we also know some people love the concept of SMART goals. Some also love Zig Ziglar's seven steps of goal setting. Ultimately, goals are about helping individuals or organizations achieve an objective. Motivation is often key in helping individuals achieve their goals. Behavior Change and Habits also come into play in helping individuals achieve goals.

12.8 SUMMARY

Employee motivation is a good topic for Human Resources. HR is always called to be responsible for employee motivation. The HR Professionals should include the employee motivation into their talks with the managers as they are responsible for the motivation of employees. Really human resources set the context and it sets the tools to manage the motivation, but the managers have to play their role.

It is an important psychological factor for any individual as it defines the work, ambition and drive of that person to do any work. A person with high levels of motivation is motivated to do good quality work, help others, spread their energy and focus on achieving goals. On the contrary, a person with low levels of motivation, demotivates others, works shabbily and creates a negative atmosphere. It is an important human factor in an individual's personal as well as professional life. Positive motivation for people is required in every field like business, sports, politics, entrepreneurship etc. It is the desire of an individual to work towards a motive, which is a certain task. In business, good motivation helps employees learn important managerial skills like leadership, team management, time management, decision making, communication etc.

Motivation is very much needed for employees in an organization to be productive, and management or leadership style has an important role to play. Motivation is not always based on financial rewards, but non-financial rewards methods can also be used to derive the best out of employees. Although individuals have their expectations, it is the leadership's responsibility to develop and align with theories that are suitable to bring job satisfaction to their employees. However, there is no single reliable theory to be used; a mixture of them can be utilized. In terms of empowering the workforce, employees should be encouraged and given a platform to voice out their concerns on how they can be motivated. Rewards and promotions following performance appraisals may be used to boost employee morale as well as feedback. All employees should understand the company's vision and goals and work together towards those. In some organizations, workers perform their duties in an assembly whereby if a certain section of employees is affected it will affect the whole plant. Employees perform their duties diligently if they are inspired and motivated as the results will always be positive with efficient production. Organizations which are results oriented will go all the way to motivate their employees for them to reach their goals.

12.9 SELF-ASSESSMENT QUESTIONS

- Q-1.** Discuss the influence of motivation on development activities.
- Q-2.** What is motivation? Explain the types of motivation.
- Q-3.** What are the top factors influencing motivation? Discuss the advantages of motivation and disadvantages of motivation.
- Q-4.** Give suitable examples of motivation.
- Q-5.** What is the importance of motivation in human resource development (HRD)?

- Q-6.** Elaborate theories of motivation. Explain content and process theories of motivation.
- Q-7.** What do you understand about Maslow's theory? Discuss the limitations and criticism. What is the public and business view of Maslow's theory? Discuss using the model in the world of work.
- Q-8.** How can you define motivation-hygiene theory? Explain its basic features.
- Q-9.** The Elaborate Frederick Herzberg model means for organizations and leaders.
- Q-10.** Define Alderfer ERG theory of motivation. Discuss the ERG model in the world of work.
- Q-11.** What do you understand about McClelland's need theory of motivation? Discuss it.
- Q-12.** Elaborate Skinner's reinforcement theory of motivation. Explain also the reinforcement theory in the world of work.
- Q-13.** Define the Vroom's Valence / Expectancy / VIE theory of motivation. What does the Vroom's expectancy theory of motivation mean for leaders and organizations?
- Q-14.** Discuss the Adams' equity theory of motivation. Explain the model means for individuals, for organizations, for leaders and managers.
- Q-15.** Explain Locke and Latham's goal setting theory of motivation.

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**Uttar Pradesh Rajarshi Tandon
Open University**

MBA 3.11

Master of Business Administration

Block

4

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MBA 3.11: HUMAN RESOURCE DEVELOPMENT

BLOCK 4: HRD APPLICATIONS, TRENDS AND COMPETENCY MAPPING

In **Block 4** you would learn about HRD Applications, Trends and Competency Mapping; HRD: coaching and mentoring; Career Management & Development; Competency Mapping and Employer Branding and Other Emerging Trends.

Unit 13 discusses HRD: coaching and mentoring; the concept and objectives of coaching and mentoring; concept of coaching and mentoring; difference between mentoring and coaching; core mentoring skills; the coaching process; the process of mentoring; and barriers to effective mentoring and coaching.

Unit 14 explains Career Management & Development; career counseling; meaning; benefits of career counselling; career management and development; the concept of a career; definition of career development; steps in career development; career development actions; individual strategies for career development; and organizational strategies for career development.

Unit 15 deals with Competency Mapping; competency mapping; people capability maturity model (P-CMM); balanced scorecard; appreciative inquiry; and integrating HRD with technology.

Unit 16 deals with Employer Branding and Other Emerging Trends; employer branding; concepts of employer branding; definition of employer branding; key factors that influence employer branding; engaging employees to become brand advocates during covid-19; other emerging trends and diversity, equity and inclusion.

UNIT 13: HRD: COACHING AND MENTORING

UNIT FRAMEWORK

- 13.1 Objectives
- 13.2 Introduction
- 13.3 The Concept and Objectives of Coaching and Mentoring
 - 13.3.1 Concept of Coaching and Mentoring
 - 13.3.2 Objectives of Coaching and Mentoring
 - 13.3.3 Difference between Mentoring and Coaching
 - 13.3.4 Core Mentoring Skills
- 13.4 The Basic Processes of Coaching and Mentoring
 - 13.4.1 The Coaching Process
 - 13.4.2 The Process of Mentoring
- 13.5 Barriers to Effective Mentoring and Coaching
- 13.6 Summary
- 13.7 Self-Assessment Questions
- 13.8 Text and References

13.1 OBJECTIVES

After completing this unit, you will be able to understand following topics:

- To explore the concept and objectives of coaching and mentoring
- To elaborate objectives of coaching and mentoring
- To explore the differences between mentoring and coaching
- To explain the basic processes of coaching and mentoring

13.2 INTRODUCTION

Coaching and mentoring employees is an investment in both an employee's enrichment and for the organization. An employee will have the tools to do her/his job efficiently and with confidence. He/She is more likely to remain with the company, reducing turnover and costs. Setting up a formal coaching and mentoring program, complete with workflows to document the process, is necessary to standardize the program's goals and criteria for participation.

Managers are doing more coaching. Coaching is a kind of employee training and development. When new competencies are needed due to a change in the work situation, or when poor performance indicates that remedial instruction is needed, managers can fill the gap for advancement and additional responsibility. In the current work environment, effective performance management systems must support a workforce of knowledge based employees, that is, employees who value the acquisition, application and sharing of knowledge. Organizations that want to capitalize on knowledge-based employees will need to shift to a consultative and participative management style. That style is often described as coaching. Coaching requires managers to transit from the traditional role of controlling and monitoring employee performance to a more consultative role. Coaching is a means for developing a partnership between the manager and employee that creates a shared understanding about what needs to be achieved and how it is to be achieved.

There is a need to plan for employees' career issues from both economic and social forces. The human resources of an organization must be in a constant state of development if the organization is to survive and prosper in an ever-changing environment. Modern employees are beginning to insist that work demands be effectively integrated with the human need for personal growth, expectation of one's family and the ethical requirements of society. For senior managerial level, soft skills have become more important than technical ability, industry experience or business knowledge.

13.3 THE CONCEPT AND OBJECTIVES OF COACHING AND MENTORING

13.3.1 CONCEPT OF COACHING AND MENTORING

According to Meggison and Clutterbuck:- 'Mentoring relates primarily to the identification and nurturing of potential for the whole person. It can be a long-term relationship, where the goals may change but are always set by the learner. The learner owns both the goals and the process. Feedback comes from within the mentee and the mentor helps them to develop insight and understanding through intrinsic observation, which is, becoming more aware of their own experiences.' 'Coaching relates primarily to performance improvement (often short-term) in a specific skills area. The goals, or at least the intermediate or sub-goals, are typically set with or at the suggestion of the coach. While the learner has primary ownership of the goal, the coach has primary ownership of the process. In most cases, coaching involves direct extrinsic feedback (i.e. the coach relates what he or she has seen to the coachee.).'

According to Business Dictionary: Traditional training methods are being extended to include a focus on coaching: (1) an individual's needs and accomplishments, (2) close observation, and (3) impartial and non-judgmental feedback on performance. Mentoring Employee training system under which a senior or more experienced individual (the mentor) is assigned to act as an advisor, counselor, or guide to a junior or trainee. The mentor is responsible for providing support to, and feedback on, the individual in his or her charge.

13.3.2 OBJECTIVES OF COACHING AND MENTORING

The overall objective of coaching is to enable individuals and groups of individuals (teams) to broaden, develop and motivate each other to achieve improvement in their performance. The following are some suggestions for good coaching:

- Make sure goals and objectives are clearly defined and reinforced.
- Provide opportunities for individuals and teams to further develop and improve their skills.
- Observe and identify ways to enhance both individual and team performance.
- Provide feedback on individual and team performance. Be specific when giving feedback. Do not just say that something is good or bad.
- Prepare students for difficult situations or new responsibilities by challenging them and making them leave their comfort zone of learning.
- Provide a supportive and non-threatening environment. Only allow constructive criticism in the classroom.
- If it is necessary to provide discipline or severe criticism, it should be done in private.
- Be supportive, enthusiastic, and positive. The coach's attitude is a predictor of the attitude of the team.

Objectives of Mentoring: Common Mentoring objectives are as follows:

- **Develop emerging leaders:** Helping high performing employees develop their leadership abilities
- **Onboard faster:** teaching new workers about the company and the expectations of management.
- **Promote diversity:** mentorship programs encourage and empower employees from minority groups who may not currently be reaching the next level of career development.
- **Career development:** assisting employees in meeting their career goals by honing new capabilities.
- **Remote Work:** Allow people to build their career and network in a remote work environment.
- **Succession planning:** seasoned workers who will be moving into retirement can impart their knowledge and wisdom to those who will take over when they leave
- **Improving culture:** building productive relationships among co-workers can lead to a healthier workplace culture.
- **Employee retention:** employees who perceive that the company cares about their career prospects and their future are more likely to stay with the organization longer. According to different studies, younger employees who are given the opportunity to mentor are more likely to stay with their employer for a longer period of time.
- **Reputation building:** organizations who show a commitment to their employees' development will gain a reputation as a desirable place to work

13.3.3 DIFFERENCES BETWEEN MENTORING AND COACHING

Coaching and mentoring, while both aimed at improving employee performance and knowledge, do have a few differences. Coaching is often focused on performance with a set agenda for teaching specific to the employee's job. Coaching may be one-to-one or offered to an entire team. Mentoring is typically a one-to-one program with an established, experienced mentor working closely with a new or junior employee to share his knowledge, perceptions and relationships. Mentoring often does not involve a set agenda and is designed to show the employee the ropes. Here are five differentiators that we think are important:

1. **Task and Relationship Orientation:** Coaching is task oriented. The focus is on concrete issues, such as managing more effectively, speaking more articulately, and learning how to think strategically. This requires a content expert (coach) who is capable of teaching the coachee how to develop these skills. Mentoring is relationship oriented. It seeks to provide a safe environment where the mentoree shares whatever issues affect his or her professional and personal success. Although specific learning goals or competencies may be used as a basis for creating the relationship, its focus goes beyond these areas to include things, such as work/life balance, self-confidence, self-perception, and how one's personal life affects one's professional life.
2. **Short and Long Term:** Coaching is short term. A coach can successfully be involved with teachers for a short period of time, maybe even just a few sessions. The coaching lasts for as long as is needed, depending on the purpose of the coaching relationship. Mentoring is always long term. Mentoring, to be successful, requires time in which both partners can learn about one another and build a climate of trust that creates an environment in which the mentoree can feel secure in sharing the real issues that impact her success.
3. **Performance and Development Driven:** Coaching is performance driven. The purpose of coaching is to improve the individual's performance on the job. This involves either enhancing current skills or acquiring new skills. Once the coachee successfully acquires the skills, the coach is no longer needed. Mentoring is development driven. Its purpose is to develop the individual not only for the current job, but also for the future. This distinction differentiates the role of the immediate manager and that of the mentor. It also reduces the possibility of creating conflict between the employee's manager and the mentor.
4. **Pre Designed:** Coaching does not require design. Coaching can be conducted almost immediately on any given topic. If a company seeks to provide coaching to a large group of individuals, then certainly an amount of design is involved in order to determine the competency area, expertise needed, and assessment tools used, but this does not necessarily require a long lead-time to actually implement the coaching program. Mentoring requires a design phase in order to determine the strategic purpose for mentoring, the focus areas of the relationship, the specific mentoring models, and the specific components that will guide the relationship, especially the matching process.

5. **Direct Role of Immediate Manager:** The Coachee's immediate manager is a critical partner in coaching. She or he often provides the coach with feedback on areas in which his or her employee is in need of coaching. This coach uses this information to guide the coaching process. In mentoring, the immediate manager is indirectly involved. Although she or he may offer suggestions to the employee on how to best use the mentoring experience or may provide a recommendation to the matching committee on what would constitute a good match, the manager has no link to the mentor and they do not communicate at all during the mentoring relationship. This helps maintain the mentoring relationship's integrity.

13.3.4 CORE MENTORING SKILLS

Both mentors and mentees should utilize the following core skills in their mentoring partnerships.

1. **Listening Actively:** Active listening is the most basic mentoring skill; the other skills build on and require it. When you listen well, you demonstrate to your mentors and mentees that their concerns have been heard and understood. As a result, they feel accepted by you, and trust builds. You can demonstrate that you're paying attention by engaging in a variety of visible behaviours.
2. **Building Trust:** The more that your mentors and mentees trust you, the more committed they'll be to your partnerships with them, and the more effective you'll be. This trust develops over time if your mentors and mentees observe certain appropriate behaviors on your part.
3. **Encouraging:** According to Phillips-Jones, the most valued mentoring skill is giving encouragement. This includes giving your mentoring partners recognition and sincere positive verbal feedback.
4. **Identifying Goals and Current Reality:** Whether you're a mentor or mentee, you should have a personal vision, specific goals, and a good grasp of current reality. As a mentor, be clear on and talk to your mentees about their visions, dreams, and career/life goals. They'll be interested in your current reality (your view of your strengths and limitations as well as the current reality of situations within your organization) and want help recognizing theirs as well.

13.4 THE PROCESSES OF COACHING AND MENTORING

The processes of coaching and mentoring include several specific components. First, establish criteria for who should participate in the program. You may decide that all new hires and employees with performance issues should participate. You also must select the coaches and mentors. Next, it's important to establish the program's goals and a time frame for completion of the program. Last, there must be a formal process to end the coaching or mentoring program. Decide at what point goals are met and the program is no longer necessary for the employee.

13.4.1 THE COACHING PROCESS

Coaching is a form of employee training and development, whether it's on-the-job or off, planned or impromptu. The science of employee training and development can't

easily be reduced to a bullet list of steps to follow, and you may notice some glaring omissions from the list below. With that disclaimer in mind, here's a list of a few steps for managers to use when coaching their employees:

- **Put the employee at ease.** This step is important when the coaching session is a response to poor performance; it's not as important in other situations.
- **Find out what they already know.** There are two reasons for this. First, there's little use in telling them what they already know. Second, prior knowledge serves as the foundation for new knowledge that's acquired. Hence, you want to link the "training" to what they already know and correct any misconceptions that could interfere with their learning.
- **Present information or demonstrate work methods.** This is the point where you deliver the content of the training.
- **Repeat.** Repetition enhances understanding and retention.
- **Evaluate learning.** Test whether the employee understands the information or can perform the skill.
- **Provide feedback.** Let the employee know what they have successfully learned and what they still need to learn.
- **Correct.** Show the right answers or methods again.
- **Evaluate performance on the job.** Periodically check to see whether the employee is using the knowledge or skills effectively on the job. Gradually increase the interval at which you check. The employee should eventually take responsibility for monitoring their own performance.
- **Reward:** Provide praise or other rewards for successful acquisition and use of the knowledge or skill.

Sometimes managers coach by guiding their staff members through the process of figuring things out for themselves. Middle and upper level managers whose reports are other managers and professionals may rely more on monitoring their staffs' professional development, helping them see opportunities for self-improvement, and encouraging them to continue to progress in their development.

In contrast, coaching entry-level employees might involve much more explicit instruction. Nonetheless, the steps listed above fit most managerial coaching situations pretty well.

13.4.2 THE PROCESS OF MENTORING

Good mentoring requires a great mentoring process; a process which dictates direction, cadence, and guides the mentorship to success. Today, mentoring is a process in which an experienced individual helps another person develop his or her goals and skills through a series of time-limited, confidential, one-on-one conversations and other learning activities. Mentors also draw benefits from the mentoring relationship. As a mentor, you will have the opportunity to share your wisdom and experiences, evolve your own thinking, develop a new relationship, and deepen your skills as a mentor.

The right mentoring process (input) is integral to the results you take away from mentoring (the output). Mentoring is sneaky in the sense that it seems relatively soft; it

appears that people would be able to figure it out on the fly or wing it, and that building an effective mentoring program is pretty self-explanatory.

Traditional Mentoring Processes: A mentoring relationship is all about growth and development which, at its best, impacts on both parties. Chutterbuck (2008, p. 3) describes the relationship in five phases:

- **Phase 1: Rapport-building** – mentor and mentee decide whether they want to work together and negotiate what each expects of the other.
- **Phase 2: Direction-setting** – mentor and mentee achieve clarity about what each aims to achieve from the relationship and how.
- **Phase 3: Progress-making** – having helped the mentee define and commit to personal change, the mentor must guide and support them as needed.
- **Phase 4: Winding down** – when the relationship has helped to deliver the desired outcomes or the mentee outgrows the mentor.
- **Phase 5: Moving on/professional friendship** – moving on from a formal mentoring relationship towards a less committed, more casual one.

Each phase requires different behaviours and competencies from the mentor. Other authors describe similar structures, but the key elements for the mentor are building rapport, ensuring that the relationship is productive and knowing when to end it.

Non-traditional mentoring processes: In the modern workplace, mentoring processes are diversifying. Online talent development company Insala (2015) lists the following examples:

- **Distance mentoring** – a one-to-one relationship facilitated by technology, for example, email, Skype etc.
- **Situational mentoring** – used for a short time to address a specific issue or purpose
- **Mentoring circles** – members take turns to be mentor or mentee leading to a cycling of information/support around the group
- **Group or team mentoring** – could be a mentor with several mentees or a mentee with several mentors
- **Peer mentoring** – more of a reciprocal than hierarchical relationship, aimed at promoting a sense of community
- **Reverse mentoring** – a less experienced, often younger, employee mentors a more experienced individual, encouraging both parties to teach and learn at the same time.

In this section, you've focused on how a mentoring relationship develops and changes over time, and you've looked at some different mentoring approaches. Next, you'll consider how mentoring can benefit all of those involved.

13.5 BARRIERS TO EFFECTIVE MENTORING AND COACHING

Most barriers to effective mentoring and coaching stem from:

- Issues of organizational culture where the prevailing culture is not sympathetic to mentoring and coaching, or does not fully understand it.
- poor matching of mentors or coaches to their protection
- lack of managerial support at higher levels
- resentment from those not chosen to participate in mentoring and coaching programmes, perhaps due to a perception of favouritism
- Personality issues between those involved in mentoring and coaching programmes.
- the creation of unrealistic expectations as to what mentoring and coaching can achieve
- the blurring of role boundaries, for example, between the role of manager and mentor.

13.6 SUMMARY

Coaching and mentoring serve as learning tools in the workplace that can lead to empowering your employees. The employees who are coached and mentored often receive the greatest benefit, but the coach or mentor also benefits and may feel a sense of empowerment from the relationship. Understanding the dynamics and outcomes of this type of workplace learning strategy helps you evaluate the need for a coaching program in your small business.

Both mentoring and coaching take place independently of line managers – they are open, honest relationships between the mentor or coach and their protégé. A mentor or coach is an ‘accountability partner’ who works in their protégé’s best interests. He or she will bring a new approach to either a specific skill or an entire career. Neither mentoring or coaching is about teaching, instruction or telling somebody what to do. The role of mentors and coaches is to ask their protégé the right questions to promote greater self-awareness and more informed decision making. The role of mentors and coaches is not to solve problems, but to question how the best solutions might be found. The mentoring or coaching process evolves over time. The aims are not inflexible, but may change as the protégé reaches the set goals and learns new behaviour. The process continues until everybody is satisfied that the objectives have been achieved.

The coaching or mentoring relationship facilitates insight, learning and change. Through this relationship, potential is identified, possibilities become reality and tangible results are delivered. Coaching and mentoring helps a person to see the present as a springboard to the future, and to be strategic about their own development. Whether the person seeks help with a specific work issue of current concern, or longer-term career question, the coach or mentor will facilitate exploration, help in the formulation of goals and provide support while action is implemented.

Designing career development systems according to specific needs and requirements of an organization can help HR specialists in bringing efficiency to the entire process of career management. Since the system tries to integrate all the activities of an employee, management as well as an organization, it has to be tailor-designed. There is nothing that fits all since the nature of every business is different and aspirations of every employee in every industry are different. While designing a career development system for an organization, the nature of their business, the industry and the business environment they are operating in should also be considered. Although it is an internal process of an organization, outer environment factors such as job market, current trends, economic conditions, etc., affect the entire process.

13.7 SELF-ASSESSMENT QUESTIONS

- Q-1.** Explain the concept and objectives of coaching and mentoring.
- Q-2.** What do you understand about the concept of coaching and mentoring? Discuss.
- Q-3.** Elaborate the objectives of coaching and mentoring.
- Q-4.** What are the differences between mentoring and coaching?
- Q-5.** What are core mentoring skills? Discuss.
- Q-6.** Discuss the basic processes of coaching and mentoring.
- Q-7.** What is the coaching process? Explain with examples.
- Q-8.** What is the process of mentoring? Explain with examples.
- Q-9.** Briefly mention the barriers to effective mentoring and coaching.

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UNIT 14: CAREER MANAGEMENT & DEVELOPMENT

UNIT FRAMEWORK

- 14.1 Objectives
- 14.2 Introduction
- 14.3 Career Counseling
 - 14.3.1 Meaning
 - 14.3.2 Benefits of Career Counselling
- 14.4 Career Management and Development
 - 14.4.1 The Concept of a Career
 - 14.4.2 Definition of Career Development
 - 14.4.3 Steps in Career Development
 - 14.4.4 Career Development Actions
 - 14.4.5 Need for Employees' Career Development in an Organization
 - 14.4.6 Significance In View of Increase in Diversity of Employees at Workplace
- 14.5 Individual and Organizational Strategies for Career Development
 - 14.5.1 Individual Strategies for Career Development
 - 14.5.2 Organizational Strategies for Career Development
- 14.6 Summary
- 14.7 Self-Assessment Questions
- 14.8 Text and References

14.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the career counselling, management and development
- To determine the concept of a career & steps in career development
- To elaborate career development actions & need for employees' career development in an organization

- To explore the significance in view of increase in diversity of employees at workplace
- To explain the individual and organizational strategies for career development

14.2 INTRODUCTION

Career Counseling is a lifelong process since the individual chooses an occupation, prepares for it, and makes progress in it. Career Counselling has to do with knowing their interest, selection of their subject, formation of their study habits and making them progress in those subjects and activities and attain the ultimate aim of getting a good career as per their wish. It is concerned primarily with helping the individual to make decisions and choices involved in planning for the future and to form career decisions and choices necessary in affecting career adjustment. Career counseling is a personalized process that combines both intuitive and cognitive techniques to help one to understand oneself, explore career options, and clarify and attain desired career goals. The processes of career counseling offer insight, guidance and support to help students to understand and manage different career and lifestyle issues.

Based on their profiles and capabilities, it provides them a right guidance path for their career. It makes sure that we weigh up the aspirant on the basis of their interest, education and skills and provide them with the best job offers that are perfectly fit for them. Career counselling plays a vital role in today's employment services because different careers and professional opportunities are emerging day by day. The approach of career counselling varies, but will generally include the completion of one or more assessments. Career counselling assessments typically include Intelligence test, Psychometric tests, interest test and Personality tests.

14.3 CAREER COUNSELING

Career counseling is a type of advice-giving and support provided by career counselors to their clients, to help the clients manage their journey through life, learning and work changes (career). This includes career exploration, making career choices, managing career changes, lifelong career development and dealing with other career-related issues. There is no agreed definition of career counseling worldwide, mainly due to conceptual, cultural and linguistic differences. However, the terminology of 'career counseling' typically denotes a professional intervention which is conducted either one-on-one or in a small group. Career counseling is related to other types of counseling (e.g. marriage or clinical counseling). What unites all types of professional counseling is the role of practitioners, who combine giving advice on their topic of expertise with counseling techniques that support clients in making complex decisions and facing difficult situations.

14.3.1 MEANING

Career counselling is counselling on issues related to an individual's career. With more and more diverse career options and professional opportunities emerging, career counselling helps individuals make the right choice about their career paths, career development and career change.

Career counsellors help individuals with the task of self-assessment and self-analysis. They then match the aptitude, skills and interests of the individuals with various job types. They also help identify the various job options available and provide clarity on different job roles.

Overall, they help individuals make informed career choices and help them define their career paths to maximize the success in their chosen careers.

Counselling services main purpose is to help the applicants how to explore and investigate potential majors and occupations. A career counselor helps applicants to get into a job placement that is suited to their ability, qualities, interest and skills. So it is the process of making an effective correlation between the internal psychologies of a candidate with the external factors of employability.

14.3.2 BENEFITS OF CAREER COUNSELLING

When it comes to planning your career, it's so easy to rely on the advice of friends and family, or even your own intuition, without considering getting professional advice and support. But when you do this, it's easy to end up exploring a career that isn't truly right for you. Whether you're an employee with minimal work experience or an established professional with many years of experience under your belt, you may currently be in a position where you're feeling bewildered about your career options or looking for a change. Career counselling is a process that helps an individual to understand themselves better, in order to make informed decisions about their career. Career counselling presents countless advantages. Here are just some of the many benefits of career counselling.

- 1. CLARIFY YOUR CAREER GOALS:** Career development is a lifelong process; therefore, career counselling is appropriate for everyone, from school students planning for the future right through to experienced professionals seeking to change jobs while employed. This is a superb resource enabling you to clarify your career goals through a range of discussions and assessments. Some key questions you may be asked include:

- What are your work-related preferences, values and interests?
- What are some of your favourite work experiences to date?
- What kinds of relationships do you have with leaders, managers and organisers? Have you ever disagreed with others? If so, what did you do to resolve conflicts?
- How do you learn best? When are you most challenged when learning? How do you overcome challenges?

Career counselling plays an important role in choosing your career, giving you the opportunity to get to know and understand yourself and the world of work in detail, and thus helping you make more informed and meaningful career decisions.

- 2. IT HELPS YOU UNDERSTAND YOUR CAREER OPTIONS:** When you seek professional career guidance, you'll be able to discuss career options that are of interest to you. Together, you'll be better able to understand the factors influencing your career development, including your personality, interests, capabilities, values and background. In this setting, it will be made clear to you

what education or training you need to pursue in order to achieve your career goals. Your career counsellor will help you to understand the scope of the career that interests you and also support you in locating the right resources and sources of information. What's more, you'll also be able to discuss strategies that will help you to find employers who offer internships or jobs in your areas of interest.

3. **YOU GAIN SUPPORT FROM AN OBJECTIVE GUIDE:** A career counsellor offers unbiased insights, information, expertise and advice, thus enabling you to figure out who you are and what you want from your career. A safe and casual environment is created where you feel at ease discussing your career, without any limitations. Here, you can talk about your ideas, feelings and concerns about your career, and your career counsellor will help you to make sense of those ideas, feelings and concerns in an honest, transparent and confidential environment.
4. **YOU DETERMINE YOUR STRENGTHS AND WEAKNESSES:** A career guide is an excellent way to determine your strengths and weaknesses. In this setting, you will perform a series of tests, including personality tests, aptitude tests, psychometric analysis tests and IQ tests. These will help you to discover the best career options for you based on your abilities. Even if you excel in your chosen area and have plenty of qualifications, your career counsellor will show you which areas need improvement and will teach you how to improve on those areas.
5. **YOU LEARN KEY SKILLS:** With a career counsellor, you'll learn a range of skills that will help you to excel when it comes to applying for jobs, attending interviews and excelling in the corporate world. For instance, you'll have the opportunity to conduct a mock job interview where you'll gain practice answering a variety of questions. In this setting, you'll receive feedback prior to the real thing, from how to improve your communication skills to how to answer difficult questions. Career advisors will also teach you how to be more assertive when it comes to getting what you need and want, whether from your current or future role. You'll also learn negotiation skills, as well as the ability to identify gaps in your professional preparation.
6. **YOU BROADEN YOUR PERSPECTIVE:** The right career counsellor will assist you in strategizing your career and providing a long-term perspective that will help you achieve your career goals more quickly. This will equip you with the confidence you need to master your goals and achieve true career satisfaction.
'It is very easy to lose focus, feel isolated and become discouraged when you are looking for a new job,' says Fitzgerald. 'It is sometimes hard to know how to interpret what is happening when you apply to a job and get no response, or when you start to lose your confidence for a time and become convinced that your age, race or gender preclude you from being fairly considered.' A good counsellor has the ability to adjust your mindset and make you realise that you have what it takes to make a career move (if that's what you're considering).
7. **YOU DEVELOP THE RIGHT STRATEGIES:** The job search is a unique process that differs based on the individual in question, their experience and the type of job they're seeking. Career counsellors will help you to craft a strategy that suits you specifically. They will teach you a range of strategies, from how to

network to improve your career to how to find a job using social media. They will also help you to find training and development opportunities, whether that involves course options for college or university students, or adult learning opportunities for professionals seeking a career change.

- 8. YOU GAIN JOB SEARCH SUPPORT:** Once you're ready to begin your quest for a new job, your career advisor will be able to provide you with job search assistance, which is one of the most common reasons why people visit a career professional.

They're highly trained to handle all aspects of your job search and are fully aware of the jobs in the market, therefore offering excellent support throughout the entire process. They can point you in the right direction with resources and provide you with tips on how to locate specific job openings or research specific companies. They will also help you to identify your network and develop your networking skills in order to discover job vacancies. In our fast-paced world, networking can prove critical for accelerating career development, connecting you to leaders within the industries that you are passionate about.

- 9. YOU CAPITALIZE ON A RANGE OF RESOURCES:** With the support of your career counsellor, you'll be able to determine which areas you need to focus on and will have access to career workshops and other resources. Together, you'll be able to identify which resources will best suit you. You'll also learn how to use these resources most effectively to gain better access to job opportunities.

14.4 CAREER MANAGEMENT AND DEVELOPMENT

Nowadays, many companies have established career management and development systems, where they offer programs, Counselling, planning and workshops to help employees manage their careers. Managers, employees and organizations can benefit from having a sophisticated career management and development program in place.

Career development involves those personal improvements that a person undertakes to achieve a personal career plan. **Career management** is the process of designing and implementing goals, plans and strategies to enable the organization to satisfy employee needs while allowing individuals to achieve their career goals.

Career development is the process of conversion of a personal career plan into action in order to achieve career goals. There are three key stars who share responsibility for an employee's career development: (1) the employee, (2) the organization, and (3) the manager. A career development system includes a variety of components for use in the organizations. In order to increase the efficiency of the system, the HR managers must have complete knowledge about these tools since they play a role of consultant when employees and supervisors use this system. They are responsible for designing and developing an effective career development system for their organization.

14.4.1 THE CONCEPT OF A CAREER

According to Edwin Flippo, "A career is a sequence of separate but related work activities that provide continuity, order and meaning to a person's life." It is not merely a series of work-related experiences, but consists of a series of properly

sequenced role experiences leading to an increasing level of responsibility, status, power and rewards. It represents an organized path taken by an individual across time and space.

Career actually has two definitions. The word career is often used to refer to a profession, occupation, trade or vocation. A career could define what you do for a living and range from those that require extensive training and education to those you can perform with only a high school diploma and a willingness to learn. A career could mean working as a doctor, lawyer, teacher, carpenter, veterinary assistant, electrician, cashier, teacher or hairstylist.

Career has another definition as well, though. It also refers to the progress and actions you have taken throughout the working years of your life, especially as they relate to your occupation. It is composed of the different jobs you have held, titles you have earned and work you have accomplished over a long period of time. When viewed in this context, a career includes everything related to your career development, including your choice of profession and advancement.

Features: Some of the important features of the term career may be stated that:

1. A career develops over time. It covers objective conditions (such as jobs, duties, responsibilities) and also includes subjective reactions (such as enthusiasm, boredom)
2. It is the individual who ultimately must judge the success of his career. He must set his own criteria for success, and such criteria can be far ranging (e.g. pay, adventure, working with new people in new environment, helping others etc)
3. The important element in one's career is experiencing psychological success which basically is, feeling a sense of personal accomplishment and fulfillment. Psychological success energizes our efforts and impels us to undertake new challenges and scale new heights that foster our growth over time
4. The typical career of a person today would probably include many different positions, transitions and organizations more than ever before when employees were less mobile and organizations more stable as employers.

14.4.2 DEFINITIONS OF CAREER DEVELOPMENT

Followings are the main definitions of Career development:

- According to **Schuler**, "It is an activity to identify the individual needs, abilities and goals and the organization's job demands and job rewards and then through well designed programmes of career development matching abilities with demands and rewards".
- In the words of **Mansfield**, "Career development is a process in which personnel experience, concept and publicly observable aspect of career interact to precipitate each successive stage of occupational statuses".
- According to **Middlemist, Hill and Greer**, "Career development is a process of planning the series of possible jobs one may hold in an organization over time and development strategies designed to provide necessary job skills as the opportunities arise".

Career development helps you take stock of who you are and where you want to go in life. In order to achieve growth, continue learning, and achieve momentum in your career you must assess your situation and your goals frequently, otherwise you doom yourself to the fate of a robot working a daily routine. To an employee, growth entails one or more of the following:

- Climbing up the ladder in the organizational hierarchy.
- On-going increase in remuneration.
- Acquiring higher level skills & competencies.
- Occupying higher level Job positions.
- Having an opportunity to avail of some exclusive benefits (perks & privileges).

14.4.3 STEPS IN CAREER DEVELOPMENT

There are four basic steps in career development. These steps in career development are:

- **Step 1 Identifying Career Needs:** Some large organizations have assessment centers or conduct career development workshops wherein a group of employees are brought together to undergo psychological testing, simulation exercises, and depth interviews. This process helps the employee to make a decision regarding career goals and the steps to be taken to put efforts to attain these goals. The HR manager also plays an important role of providing information and assistance in making decisions about the career needs of the employee.
- **Step 2 Developing Career Opportunities:** Career opportunities are identified through job analysis. The manager should identify the career path for employees in the organization. He/she should discuss with the employees what jobs are available in the organizational hierarchy and at the same time find where the employee would want to go up in the organization in future. The employees should be provided information regarding job postings that are available in the organization and, for future reference, what requirements they will have to fulfill to achieve the promotion which they aspire to.
- **Step 3 Integration of Employee Needs with Career Opportunities:** It is necessary to align the needs and aspirations of the employees with career opportunities in order to ensure the right people will be available to meet the organizational manpower requirements. Therefore, emphasis is placed on the training, on-the-job and off-the-job, Counselling and coaching by supervisor, and planned rotation in positions of varying functions and in different locations. The process is pursued further with the help of periodic performance appraisals. Training and Counselling will be a wasteful exercise if the employee does not make progress along his/her career path.
- **Step 4 Regular Monitoring:** It is necessary to regularly monitor the progress of the employee towards his/her career development plans and see that the support is being provided to develop those career plans. If there is a discrepancy, steps should be taken to reassign work as necessary to ensure that career development

plans are met. In situations where career opportunities are not available due to influence of technology and economic factors, the organization should redesign jobs or make career shifts.

14.4.4 CAREER DEVELOPMENT ACTIONS

Many organizations spend a good amount of money on education and training of the employees and get the required talents and potential from within the organization only and there is no necessity to search such personnel outside the organization. The following are the career development actions.

1. **Performance of the job:** In career development progress an individual employee must prove that his performance on the job is up to the standard established.
2. **Employee exposure:** The employees interrupting in their career groups should expose it by their skills, knowledge qualification, achievement, outstanding performance etc. to the staff members to take the decision about the career development elsewhere.
3. **Resignation by the employee:** The employees may resign the present job in the organization, when they get better career opportunities elsewhere.
4. **Change the Job:** Employees who have better career prospects in some other job in some organizations, such employees may change the job.
5. **Career guidance and Counselling:** It provides full information, proper advice and encouragement to move from one career to another better career in the same organization or in some other organization where better career opportunities are available.

14.4.5 NEED FOR EMPLOYEES' CAREER DEVELOPMENT IN AN ORGANIZATION

The needs for effective employees' career development are for following reasons:

1. **Making Available Needed Talent:** Career development is a natural extension of strategic and employee training. Identifying staff requirements over the intermediate and long-term is necessary when a firm sets long-term goals and objectives. Career development will help organizations in putting the right people in the right job.
2. **Attracting and Retaining Talents:** There is always a scarcity for talented people and there is competition to secure their services. Talented people always prefer to work in organizations which care for their future concern and exhibit greater loyalty and commitment to organizations where there is career advancement. As career development is an important aspect of work life as well as personal life, people prefer to join firms which offer challenges, responsibility and opportunities for advancement.
3. **Reduced Employee Frustration:** Along with educational level and knowledge, the aspirational level of occupations is also increasing. When these levels are not met due to economic stagnation frustration sets in. When organizations downsize to cut costs, employee career paths, career tracks and career ladders tend to collapse resulting in aggravation of frustration. Career Counselling comes a long way in reducing frustration.

4. **Enhancing Cultural Diversity:** Fast changing scenarios in globalization reflects a varied combination of workforce representing different types of races, nationalities, religious faiths, ages and values in the workplaces. Effective career development programmes provide access to all levels of employees.
5. **Improving Organizational Goodwill:** It is quite natural that if employees think their organizations care about their long-term well-being through career development they are likely to respond in kind by projecting positive images about their organizations. Career development does help organizations in impressing image and goodwill.

14.4.6 SIGNIFICANCE IN VIEW OF INCREASE IN DIVERSITY OF EMPLOYEES AT WORKPLACE

Career development for diversified group of employees assumes greater significance in view of increase in diversity of employees at workplace.

1. **Career Development for Women:** Increasing need for utilizing the talents of females which would be around 50% of human resources and increase in educated female force made organizations to plan for the career development of women. Women in management are normally in a disadvantageous position as they are not part of the 'good-old-boys' network.' So, management has to eliminate the barriers in the process of career advancement, encourage women for skill development and facilitate the process of career development of women employees.
2. **Glass-Ceiling Audits:** Glass-ceiling is defined as, "those artificial barriers based on attitudinal or organizational bias that prevent qualified individuals from advancing upward in their organizations into management level positions." Glass-ceilings may prevent women employees from advancing in their organizations. Therefore, management should prepare women for managerial positions through Counselling, mentoring and training.
3. **Allowing Family Responsibilities:** Women employees are tied up with family responsibilities, which would hamper their career development. Therefore, some firms introduced certain programmes like alternative career paths, extended leave, flexi-time, flexi-work, job sharing and telecommuting in order to enable women to balance career and family.
4. **Career Development for Minorities:** Employees belonging to minorities are in a disadvantageous position in career progression. Therefore, organizations provide certain programmes for the development of minorities. These programmes include special training, reservation of a certain number of positions for minorities, internships and organizing training courses.
5. **Dual Career Couples:** Dual career couples follow their own careers; support each other's career development. However, career opportunities for any of the couple may hinder the career of the other. Economic necessity, social focus and psychological adjustments encourage dual career marriages. Dual career families undergo social maladjustments due to transfers, uneven career progressions of one of the couples etc. Therefore, management should take care of balanced career progression and development of career couples.

14.5 INDIVIDUAL AND ORGANIZATIONAL STRATEGIES FOR CAREER DEVELOPMENT

Career development is a joint responsibility of an employee and the organization. If an employee wants only the organization to develop his career, the organization is likely to impose too much organizational control restricting the autonomy of that employee. Therefore, it is advised that you should be instrumental to manage your own career.

14.5.1 INDIVIDUAL STRATEGIES FOR CAREER DEVELOPMENT

Organizations initiate efforts to develop their employees. However, they cannot take the sole responsibility to develop each individual's career. Individual employees must also take initiatives themselves. Career results from the matching goals of the individual with that of the organization. The self-management of your career will help you determine your own destiny and enhance your independence. In career decisions, the individual is the only one having appropriate information. He must be assertive to express his feelings so that he does not get deceived with regard to his career. Some of the individual strategies for career developments are as follows:

1. **Do it now:** Suppose you have made decisions that will have an impact on your career. Do not delay in implementing the decisions. Do not wait for an auspicious day to come; for completing an academic activity, for settling down, and for any other reasons. Pursuing a career will always have uncertainties. Self-management helps to reduce the uncertainties.
2. **Know Yourself:** You need to know your own strengths and weaknesses. Take the help of someone, whom you like and regard, to help you to identify your strengths and weaknesses. You must know how others see you; view your behavioural pattern, and opinions they possess. You must have the ear to hear what others are telling about you.
3. **Analyze Career Opportunities:** Try and examine the sources of career opportunities. There are many sources of information concerning occupations and career opportunities. Many B -schools are publishing placement manuals or brochures containing information regarding career opportunities. You may also collect information from some of your friends or relatives who keep themselves informed. Spend a few hours browsing the internet to determine what potential employers are seeking.
4. **Establish Career Goals:** In the preceding three steps, you have learned that you should not delay in implementing decisions, you need to know yourself, and you must analyze career opportunities. Using these as your arsenal, you should now develop your specific career goals. The goals should be measurable and attainable; may be for short-term or long-term. The self-determined goals should stretch your performance. As success breeds success, meeting a short-term goal leads to even higher aspirations and improved performance.

5. **Obtain Feedback:** Feedback from relevant people help one correct his/her errors. You are required to think and plan how you will gather feedback from others with regard to your self-analysis and current career planning.
6. **Manage Your Career:** Managing a career is not just implementing your plan. It is not a one-shot operation; but rather an on-going process. The self-management spreads over your entire working life. You need to constantly look for opportunities, and take advantage of them. It is of utmost importance to build and maintain relationships. Evaluating and modifying career goals and plans should be a continual process. You must be flexible while making decisions. You should not be tied up completely with a particular job, department, or organization.
7. **Self-Management:** Self-assessment is essential for self-management. Self-assessment is researching within you; finding who you are, what you like or love, what you have to offer, and so forth. Self-management enables you to make decisions about your career. Findings of self-assessment should be recorded on paper. Self-assessment includes some vital aspects such as: i. Achievements, ii. Skills and abilities, iii. Personal values, iv. Interests, v. Disabilities (if known), vi. Personal and family circumstances, etc.

14.5.2 ORGANIZATIONAL STRATEGIES FOR CAREER DEVELOPMENT

Being aware of the utmost need for employee career development, organizations are designing programmes for effective management of human resources. The aim of this effort is directly related to career issues such as reducing employee attrition, exploring potential and providing matching assignments, developing high-potential candidates, preparing for managerial positions, enhancing problem-solving abilities, reducing problems arising out of lack of knowledge and skills, providing ample opportunities for growth, ensuring upward movement for potential employees, and so forth.

Many organizations have instituted a system of career counselling through workshops, and have employed career guidance specialists. Literature suggests a number of specific drives that organizations can implement to improve the effectiveness of their career programmes.

1. **Improving Human Resource Planning and Forecasting System:** Considering and analyzing the targets of the organization, it should develop the job specifications and recruit personnel of the required quantity and requisite quality. Companies need to develop procedures to meet the target in fluctuating situations. They need to select the appropriate forecasting technique to assess manpower needs.
2. **Initial Career Counselling:** Career counselling is a way of periodic performance appraisal. In addition to appraising performance, counselling provides excellent opportunities to discuss career problems of employees; their goals, and opportunities available for developing in their career.
3. **Support of Education and Training:** Education and training system supports all levels of employees to improve their careers. The prerequisites for further career growth are first identified, and need-based training is conducted accordingly. Furthermore, for enhancing an employee's overall growth, education is imparted.

It is important that the organization must have clearly-defined policies concerning time-off and the necessary financial support.

4. **Improving Dissemination of Career Option Information:** Employees always remain impatient to know about their career and the various career options available. Companies having a career planning system should share the information with the employees through administrative manuals, circulars, or other documents. The information calms their restless minds and they can concentrate on the work assigned to them. Organizations should develop instruments to keep employees informed about career options.
5. **Job Posting:** Employees aspire to advance in their careers. In larger organizations, the aspirations are higher. Employees need to get information for advancement in their careers. Organizations must provide all employees with information concerning job openings. Moreover, a system of job posting helps an organization to attract talents from the market. The system stimulates employees of all levels in career planning and development.
6. **Flexible Rewards and Promotional System:** Organizations use both financial and non-financial rewards to recognize employees. The scope of rewards and determining success criteria are really limited; presumably due to limited thinking about them. In today's financial world, there is a growing trend toward giving employees a choice among several forms of financial rewards.
7. **Development and Use of Assessment System:** Many organizations use formal assessment centres and development centres in order to evaluate potential employees to help them advance in their careers. Use of assessment centres have emerged as a practice while selecting people. Later, organizations use assessment centres for career planning as well.
8. **Special Assignments and Job Rotation:** Doing the same job over a long period of time generates boredom. Employees should get the opportunity of gaining new experience by way of performing special assignments and through job rotation. These actions enable employees to learn new things first-hand and perform them in different settings. Simultaneously, management can also ascertain the capacity and potential of an employee to accept challenges, working in new settings, and with new people.
9. **Career Development Workshops:** Considering the importance of employees' career development, organizations are arranging workshops and seminars as essential career development activities. These workshops clearly indicate organizations' concern for career development. However, the central assumption of these workshops is the joint responsibility of individuals and the organization for career development.
10. **Sabbatical, Flexible Working Hours, and Other Off-Work Activities:** Organizations need to develop sabbatical (time-off) leave, flexible working hours, and other off-work activities. Allowing employees, particularly middle-aged people, to avail sabbatical leaves provide the opportunity to develop new life interests. This organizational system may be a possible answer to boredom and apathy.

14.6 SUMMARY

Counselling is a rather broad term. It refers to the process of helping a person by providing guidance, moral support, and exploring solutions for the problems being faced. The relationship between a Counsellor and a Counselee is based on a good rapport and trust. This is important while counselling, because it helps to achieve the end goal, i.e., helping the counsellor reach the solutions to his problems. Career Counselling is a process that focuses on helping one understand one's self, as well as work trends, to make an informed decision about their career and education. Whether you are in the process of choosing a career, or in the midst of a career change, having a professional by your side always helps. Career counselling helps in getting the right guidance to help set your long-term goals professionally and achieve them through scientifically developed aptitude tests and personality tests.

Career development is the process of conversion of a personal career plan into action in order to achieve career goals. The employee, the organization, and the manager are the three key heroes who share responsibility for an employee's career development. A career development system includes a variety of components for use in the organizations. In order to increase the efficiency of the system, the HR managers must have complete knowledge about these tools since they play a role of consultant when employees and supervisors use this system. They are responsible for designing and developing an effective career development system for their organization.

Designing career development systems according to specific needs and requirements of an organization can help HR specialists in bringing efficiency to the entire process of career management. Since the system tries to integrate all the activities of an employee, management as well as an organization, it has to be tailor-designed. There is nothing that fits all since the nature of every business is different and aspirations of every employee in every industry are different. While designing a career development system for an organization, the nature of their business, the industry and the business environment they are operating in should also be considered. Although it is an internal process of an organization, outer environment factors such as job market, current trends, economic conditions, etc., affect the entire process.

14.7 SELF-ASSESSMENT QUESTIONS

- Q-1. What is the concept of career counseling? Explain.
- Q-2. Discuss the benefits of career counselling.
- Q-3. Explain the concept of career management and development.
- Q-4. What do you understand about the concept of a career? Explain.
- Q-5. Give definition of career development. Explain its features.
- Q-6. What are the steps in career development? Explain.
- Q-7. Discuss the career development actions.
- Q-8. Elaborate the need for employees' career development in an organization.
- Q-9. Explain the significance in view of the increase in diversity of employees at the workplace.
- Q-10. What are the individual strategies for career development? Explain.
- Q-11. What are the organizational strategies for career development? Explain.

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UNIT-15: COMPETENCY MAPPING

UNIT FRAMEWORK

- 15.1 Objectives
- 15.2 Introduction
- 15.3 Competency Mapping
- 15.4 People Capability Maturity Model (P-CMM)
- 15.6 Balanced Scorecard
- 15.7 Appreciative Inquiry
- 15.8 Integrating HRD with Technology
- 15.9 Summary
- 15.10 Self-Assessment Questions
- 15.11 Text and References

15.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the competency mapping, concept of competency mapping, definition of competency mapping and need for competency mapping
- To determine the key components of competency mapping, objectives and purpose of competency mapping; important approaches to competency mapping
- To elaborate people capability maturity model (P-CMM), principles of people capability maturity model (PCMM); PCCM: process maturity rating and people capability maturity model (P-CMM) maturity levels; benefits of people CMM
- To explore the balanced scorecard, appreciative inquiry and definition of appreciative inquiry
- To explain the organizational change and appreciative inquiry, process of appreciative inquiry, integrating HRD with technology and impact of information technology on human resource development

15.2 INTRODUCTION

Competency mapping is a way of assessing the strengths and weaknesses of a worker or organization. It is about identifying a person's job skills and strengths in areas like teamwork, leadership and decision making. Thus, it is about identifying a person's job skills and strengths in the areas like teamwork, leadership and decision-making.

Many competency mapping models break down strengths into two major areas: functional and behavioral. Functional skills include practical knowledge that a person needs to perform a job. For e.g. functional requirements for a secretary might include familiarity with computer systems and office machinery as well as bookkeeping knowledge. These skills are generally easy to measure through skill tests and can define whether a worker is capable of carrying out his or her responsibilities.

Technology is used in nearly all organizations these days including schools, companies and universities as examples. What people may not know is what it actually means. Technology is a branch of knowledge that can deal with the creation and the use of technical means and their interrelation with life, the environment and society. Technology draws upon subjects such as industrial arts, applied science, engineering and there are many more. Technology can be seen as a process or an invention of something.

15.3 COMPETENCY MAPPING

Competency Mapping is a process of identifying key competencies for a company or institution and the jobs and functions within it. Competency mapping is important and is an essential exercise. Every well managed firm should have well defined roles and a list of competencies required to perform each role effectively. Such a list should be used for recruitment, performance management, promotions, placement and training needs identification. A competency is defined as a behavior (i.e. communication, leadership) rather than a skill or ability.

The competency framework serves as the bedrock for all HR applications. As a result of competency mapping, all the HR processes like talent induction, management development, appraisals and training yield much better results.

Behavioral assessment is more difficult to quantify and is the focus of most competency studies. It examines personal skills such as leadership, active listening, teamwork and morale. This type of testing is important for getting a complete picture of an individual's skill set. The use of Competencies can include: assessment during recruitment through specific work-based exercises and relevant, validated, psychometric tests; assessment of further development; as a profile during assessment to guide future development needs; succession planning and promotion; organizational development analysis.

15.3.1 CONCEPT OF COMPETENCY MAPPING

Competency Mapping is the process of identifying key competencies for an organization and/or a job and incorporating those competencies throughout the various processes (i.e., job evaluation, training, recruitment) of the organization. It generally examines two areas: emotional intelligence or emotional quotient (EQ), and strengths of the individual in areas like team structure, leadership, and decision-making.

Large organizations frequently employ some form of competency mapping to understand how to most effectively employ the competencies of strengths of workers. Competency mapping can also be done for contract or freelance workers, or for those seeking employment to emphasize the specific skills which would make them valuable

to a potential employer. These kinds of skills can be determined, when one is ready to do the work.

Competency mapping consists of breaking a given role or job into constituent tasks or activities and identifying the competencies (technical, managerial, behavioural, conceptual knowledge, attitudes, skills, etc.) needed to perform the same successfully.

15.3.2 DEFINITION OF COMPETENCY MAPPING

According to Boyatzis (1982) "A capacity that exists in a person that leads to behaviour that meets the job demands within parameters of organizational environment, and that, in turn brings about desired results"

The entire process right from identifying competencies (different sets of competencies for specific jobs as well as for entire organizations) to defining them, standardizing them on a rating scale along with behavioural indicators for measurement, selecting ways of measuring those competencies and linking it up to other HR systems such as training and performance management, is called competency management. Most companies develop competency models to capture the essence of their competency management framework.

15.3.3 NEED FOR COMPETENCY MAPPING

Competency mapping has gained commonness, momentum, and popularity. The old maxim, 'Slow and steady wins the race' has lost its validity in view of the fast changing business environment. In order to cope with the changing world economy and keeping in view that the world is becoming a global vil-lage, companies have become more aware of the need for having competent employees and developing distinguished competencies for every organization.

In terms of quality of people, organizations need fast and consistent manpower. As such, in the sharper focus of management, competency mapping is engaged in the collection and constellation of information about the appropriate talent in various levels. The needs for competency mapping are enumerated here:

1. The cost of manpower is becoming increasingly high.
2. Realization of the truth that people can transform an organization.
3. Getting more from the people rather than getting more people.
4. Increased customer focus; identifying and fulfilling implied customer needs and expectations.
5. Recognizing the fact that the right kind of human resources can monitor and manage the technology, finance, market, customers, customer relationship, processes, procedures, and the system effectively.
6. Importance of role performer vis-a-vis time management.

In the era of competitive business, hunting for talent and managing them properly is a crucial task for HR professionals. As a result, the top management and HRD directors or managers are paying attention to competencies of the workforce. Hence, competency and competency mapping are important and essential exercises.

15.3.4 KEY COMPONENTS OF COMPETENCY MAPPING

Competency mapping is the process of modeling the right set of competencies at the required proficiency levels for specific roles in an organization. The competency framework developed by an organization either internally or with the help of external HR consultants or through readily available off-the-shelf models, acts as a basis for this process. Key components of competency mapping are:

- 1. Identification of Competencies:** Various competencies such as workplace competencies, core competencies, and threshold competencies, differentiating competencies, technical and behavioural competencies have to be identified by the organization. The competency framework must not just identify job specific competencies but also define those competencies that are essential for superior performance on the job.
- 2. Competency Models:** An organization can use an existing competency model often referred to as 'Off-the-shelf' ready to use models or can develop its own models. A popular approach is to customize an existing one as per organization's needs. The competency framework must also draw synergies between various HR systems such as using the competency framework for selecting the most competent candidates (both internally and externally), training them on the gaps in competencies, measuring their on-the-job performance through competency based objectives, and lastly and most importantly, linking the competency framework to the career management systems in the organization.
- 3. Employee Competency Assessment:** The competency framework should also extend itself in developing the behavioral indicators for each of the identified competencies so that observation and measurement of the identified competencies becomes possible. The HR department would create ways of measuring competencies so that the model can be actually put to use. Some methods include assessment centers, potential appraisals, 360 degree feedback, etc.
- 4. Competency Development:** The surest way of developing talent in any organization is by developing competencies of the workforce. This has to be a continuous process and not a sporadic event or even series of events.
- 5. Linking Competency Framework to Other HR Systems:** A competency management framework should be synergized with other HR systems for optimal utilization of the same.

15.3.5 IMPORTANT APPROACHES TO COMPETENCY MAPPING

Competency analysis is concerned with behavioural dimensions of roles while competence analysis considers what people have to do to perform well. In an organization a tailor-made competency schedule is carried out by specialists or management consultants or both. Line managers may be consulted but the frameworks are issued to them in accordance with procedures laid down for such processes laid down for such processes as performance management. Although the first draft may be

developed in-house but when practiced the suggested changes can improve it further. There are **6 approaches** to competence analysis:

1. Expert Opinion
 2. Structured Interviews
 3. Workshops
 4. Critical Incident Techniques
 5. Repertory Grid Analysis
 6. Job Competency Assessment
1. **EXPERT OPINION APPROACH:** This method involves an expert member of the HR department possibly discussing with the other experts and referring to the published list to draw up "What counts". The major drawback of this method is that it lacks detailed analysis and the line managers have not been involved at any step so it may be unacceptable.
 2. **STRUCTURED INTERVIEWS APPROACH:** Here we require the list of competences prepared by experts and the job-holders. The key result areas of a particular are identified to analyze the behavioural characteristics, which distinguish performers at different levels of competence. The positive and negative indicators required for achieving high levels of performance can be analyzed as:
 - i. Personal drive (achievement motivation)
 - ii. Analytical power
 - iii. Creative thinking
 - iv. Team Management
 - v. Interpersonal skills
 - vi. Communication skills

This approach relies too much on the experts.
 3. **WORKSHOPS APPROACH:** A team of experts (knowledge and experience holders), managers, job-holders along with a facilitator (not from personnel department) or a consultant work together in a workshop. The activities of the workshop initiate with defining a job related competence area. Then the members of the group develop examples of effective and less effective behaviour recorded on flipcharts. The facilitators' job is to help the group to analyze its findings and assist generally to set competency dimensions which can be identified by behaviour.
 4. **CRITICAL INCIDENT TECHNIQUE APPROACH:** This is a means of eliciting data about effective or less effective behaviour related to actual events critical incidents. The technique is used with groups of job holders, their managers and expert in following ways:
 - i. Explain what the technique is and what are its uses? This helps to gather the real information regarding the behaviours constituting good or poor performance
 - ii. Listing the key areas of responsibilities for a particular job.
 - iii. Each area of job can be discussed and relating to critical incidents
 - iv. Collect information about the critical incidents under the following headings-

- a) What were the circumstances?
 - b) What did an individual do?
 - c) What was the outcome of the efforts of the individual?
 - v. Same process is repeated for each area of responsibility and various critical incidents are recorded.
 - vi. On referring to the flipchart, analyzing the critical incidents, the recorded behaviour is marked on a scale from one to five.
 - vii. These ratings are discussed and re-discussed for reducing errors.
 - viii. Final analysis-It lists the desired competence, performance indicators for each principal accountability or main task.
- 5. REPERTORY GRID APPROACH:** Repertory grid can be used to identify the dimensions that distinguish well from poor standards of performance. This technique is based on Kelly's personal construct theory. Personal constructs are the ways in which we view the world. They are personal because they are highly individual and they influence the way we behave or view other people's behaviour. The aspects of the job to which these 'constructs' or judgments apply are called 'elements'. A group of people concentrate on certain elements (work or task of job holder) and develop constructs for them. This helps to define the qualities which indicate the essential requirements for successful performance. The procedure being followed by an 'analyst' is called 'triadic' method of elicitation and involves following steps:
- a) Identify the elements of the job to be analyzed.
 - b) List the tasks on cards.
 - c) Draw three cards randomly from the pack of cards and ask the group members to select the odd one out from the point of view of the qualities and characteristics needed to perform it.
 - d) Try to obtain more specific definitions of these qualities in the form of expected behaviour.
 - e) Again draw three cards from the pack and repeat step c & d, Repeat the process unless all the cards have been analyzed.
 - f) List all the constructs and ask the group members to rate each task on every quality using a six or seven point scale.
 - g) Collect and analyze the scores in order to assess their relative importance.

The repertory-grid analysis helps people to articulate their views by reference to specific examples. It is easier to identify behavioural competences required in a job by limiting the area through the triadic technique. This method of analysis is quite detailed and time- consuming.

- 6. JOB COMPETENCY ASSESSMENT APPROACH:** The job competency assessment method as described by Spencer & Spencer (1993) and offered by Hay/McBer, is based on David McClelland's research on what competency under six clusters-
- Achievement Cluster
 - Helping/Service
 - Influence
 - Managerial

- Cognitive
- Personal Effectiveness

The competency assessment method is used to model the competencies for a generic role i.e. for a position which is similar to many job holders and basic accountabilities are the same. The method begins with assembling a panel of expert managers to express their vision of the job, its duties, responsibilities, difficult job components, likely future changes to the role and the criteria against which the job-holder's performance is measured. The members do nominate some members to be outstanding or satisfactory.

15.4 PEOPLE CAPABILITY MATURITY MODEL (P-CMM)

People Capability Maturity Model (P-CMM) is an integrated set of best practices that improves performance and key capabilities for organizations that want to improve their critical people management processes. The People Capability Maturity Model provides guidance for improving the capability of an organization's workforce. These best practices help identify skill gaps, break down workflow bottlenecks, and empower team members to develop skills that will help the organization succeed.

The People Capability Maturity Model (short names: People CMM, PCMM,P-CMM) consists of five maturity levels that establish successive foundations for continuously improving individual competencies, developing effective teams, motivating improved performance, and shaping the workforce the organization needs to accomplish its future business plans. Each maturity level is a well-defined evolutionary plateau that institutionalizes new capabilities for developing the organization's workforce. By following the maturity framework, an organization can avoid introducing workforce practices that its employees are unprepared to implement effectively. The People CMM has been published in book form.

People Capability Maturity Model

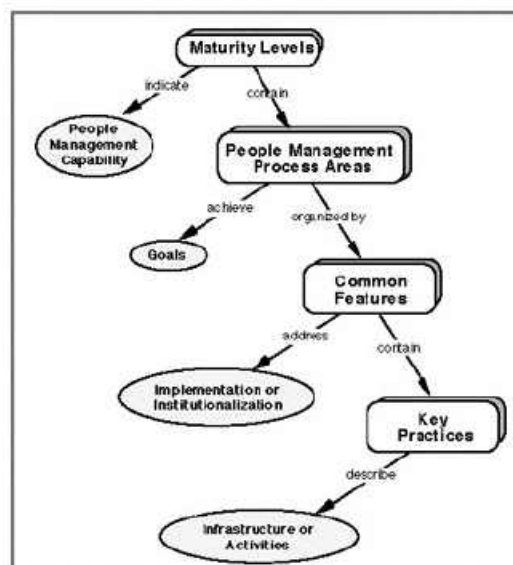


Figure 1.source: Wikipedia

15.4.1 PRINCIPLES OF PEOPLE CAPABILITY MATURITY MODEL (PCMM)

The People Capability Maturity Model describes an evolutionary improvement path from ad hoc, inconsistently performed workforce practices, to a mature infrastructure of practices for continuously elevating workforce capability. The philosophy implicit in the PCMM can be summarized in ten principles.

1. In mature organizations, workforce capability is directly related to business performance.
2. Workforce capability is a competitive issue and a source of strategic advantage.
3. Workforce capability must be defined in relation to the organization's strategic business objectives.
4. Knowledge-intensive work shifts the focus from job elements to workforce competencies.
5. Capability can be measured and improved at multiple levels, including individuals, workgroups, workforce competencies, and the organization.
6. An organization should invest in improving the capability of those workforce competencies that are critical to its core competency as a business.
7. Operational management is responsible for the capability of the workforce.
8. The improvement of workforce capability can be pursued as a process composed from proven practices and procedures.
9. The organization is responsible for providing improvement opportunities, while individuals are responsible for taking advantage of them.
10. Since technologies and organizational forms evolve rapidly, organizations must continually evolve their workforce practices and develop new workforce competencies.

The People Capability Maturity Model (People CMM) is a roadmap for implementing workforce practices that continuously improve the capability of an organization's workforce. Since an organization cannot implement all of the best workforce practices in an afternoon, the People CMM introduces them in stages. Each progressive level of the People CMM produces a unique transformation in the organization's culture by equipping it with more powerful practices for attracting, developing, organizing, motivating, and retaining its workforce. Thus, the People CMM establishes an integrated system of workforce practices that matures through increasing alignment with the organization's business objectives, performance, and changing needs. Although the People CMM has been designed primarily for application in knowledge intensive organizations, with appropriate tailoring it can be applied in almost any organizational setting. The People CMM's primary objective is to improve the capability of the workforce. Workforce capability can be defined as the level of knowledge, skills, and process abilities available for performing an organization's business activities.

15.4.2 PCCM: PROCESS MATURITY RATING

The process maturity rating is from ad hoc and inconsistently performed practices, to a mature and disciplined development of the knowledge, skills, and motivation of the workforce. Traditionally, process maturity models like ISO/IEC 15504 or CMMI focus on organizational improvement with respect to operational (Product) Development Processes. PCMM in contrast focus instead on the three prominent factors for operational capability to deliver successful products and services:

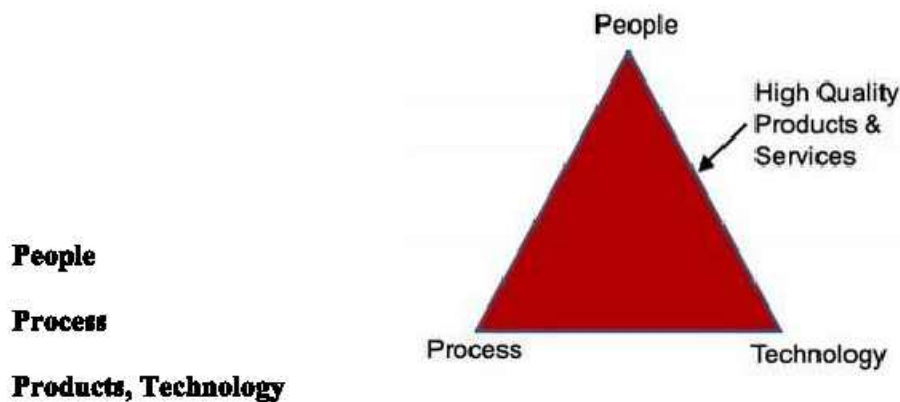


Figure 2. Source: PlayInBusiness

Thus, these 3Ps of PCMM are comparable to ITIL's 4Ps: People, Processes, Products (tools and technology) and Partners (suppliers, vendors, and outsourcing organizations). P-CMM is characterized by a holistic approach to people-related issues. Instead of looking at traditional Human Resource interventions in a reactionary scrappy fashion, Unlike other HR models, P-CMM requires that key process areas, improvements, interventions, policies, and procedures are institutionalized across the organization irrespective of function or level. Therefore, all improvements have to percolate throughout the organization, to ensure consistency of focus, to place emphasis on a participatory culture, embodied in a team-based environment, and encouraging individual innovation and creativity.

15.4.3 PEOPLE CAPABILITY MATURITY MODEL (P-CMM) MATURITY LEVELS

A maturity level represents a new level of organizational capability created by the transformation of one or more domains of an organization's processes. The People CMM applies the principles of the process maturity framework to the domain of workforce practices. Each of the People CMM's five maturity levels represents a different level of organizational capability for managing and developing the workforce. Each maturity level provides a layer in the foundation for continuous improvement and equips the organization with increasingly powerful tools for developing the capability of its workforce. The nature of the transformation imposed on the organization's workforce practices to achieve each level of maturity is depicted in Figure 3.

PCCM Maturity Levels



Figure 3. Source: Software Engineering Institute

1. **The Initial Level: Maturity Level 1:** Organizations at the Initial Level of maturity usually have difficulty retaining talented individuals. Even though many low-maturity organizations complain about a talent shortage, the inconsistency of their actions belies whether they actually believe it. Low-maturity organizations are poorly equipped to respond to talent shortages with anything other than slogans and exhortations. Despite the importance of talent, workforce practices in low-maturity organizations are often ad hoc and inconsistent. In some areas, the organization has not defined workforce practices, and, in other areas, it has not trained responsible individuals to perform the practices that exist.
2. **The Managed Level: Maturity Level 2:** The workforce practices implemented at the Managed Level focus on activities at the unit level. The first step toward improving the capability of the workforce is to get managers to take workforce activities as high-priority responsibilities of their job. They must accept personal responsibility for the performance and development of those who perform the unit's work. The practices implemented at Maturity Level 2 focus a manager's attention on unit-level issues such as staffing, coordinating commitments, providing resources, managing performance, developing skills, and making compensation decisions. Building a solid foundation of workforce practices in each unit provides the bedrock on which more sophisticated workforce practices can be implemented at higher levels of maturity.
3. **The Defined Level: Maturity Level 3:** Organizations at the Managed Level find that, although they are performing basic workforce practices, there is inconsistency in how these practices are performed across units and little synergy across the organization. The organization misses opportunities to standardize workforce practices because the common knowledge and skills necessary to conduct its business activities have not been identified. The primary objective of the Defined Level is to help an organization gain a competitive advantage by developing the various competencies that must be combined in its workforce to accomplish its business activities. These workforce competencies represent the critical pillars that support the strategic business plan; their absence poses a severe risk to strategic business objectives. In tying workforce competencies to current

and future business objectives, the improved workforce practices implemented at Maturity Level 3 become critical enablers of business strategy.

- 4. The Predictable Level: Maturity Level 4:** An organization at the Defined Level has established an organizational framework for developing its workforce. At the Predictable Level, the organization manages and exploits the capability created by its framework of workforce competencies. This framework is sustained through formal mentoring activities. The organization is now able to manage its capability and performance quantitatively. The organization is able to predict its capability for performing work because it can quantify the capability of its workforce and of the competency-based processes they use in performing their assignments.
- 5. The Optimizing Level: Maturity Level 5:** At the Optimization Level, the entire organization is focused on continual improvement. These improvements are made to the capability of individuals and workgroups, to the performance of competency-based processes, and to workforce practices and activities. The organization uses the results of the quantitative management activities established at Maturity Level 4 to guide improvements at Maturity Level 5. Maturity Level 5 organizations treat change management as an ordinary business process to be performed in an orderly way on a regular basis. At Maturity Level 5, individuals are encouraged to make continuous improvements to their personal work processes by analyzing their work and making necessary process enhancements. Similarly, workgroups are composed of individuals who have personalized work processes. To improve the capability of the workgroup, each person's work processes must be integrated into an effective operating procedure for the workgroup. Improvements at the individual level should be integrated into improvements in the workgroup's operating process. Mentors and coaches can be provided to guide improvements at both the individual and workgroup levels. Simultaneously, the organization continually seeks methods for improving the capability of its competency-based processes.

15.4.4 BENEFITS OF PEOPLE CMM

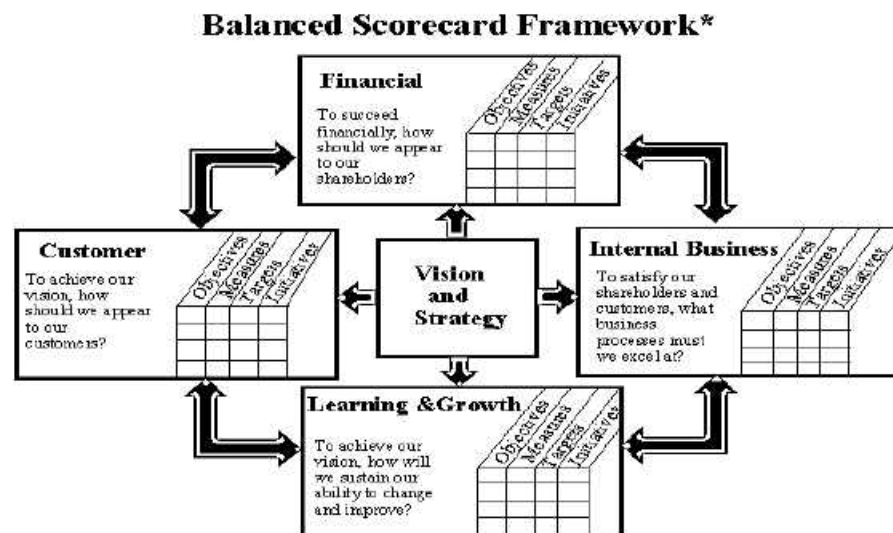
The above is a set of benefits observed in some of the organizations that have implemented People CMM. The adoption of the model:

1. Drives a "systems" approach to its people related processes and initiatives
2. Promotes a long-term thinking in terms of the people
3. Increases transparency, democracy and openness
4. Builds organizational agility and ability to execute cross-functional projects
5. Increases the level of automation
6. Makes the organization metrics and data analytics
7. Drives a competency culture
8. Enables handling of rapid growth and scale
9. Makes the HR function become more of a business partner
10. Transforms line managers to better people managers

15.6 BALANCED SCORECARD

Balanced Scorecard is a performance management framework used by strategic decision makers to make the right decisions about their business. Balanced scorecard is not only a set of strategic goals; it is also a method for monitoring progress toward organization's strategic goals.

The balanced scorecard method is a management technique designed to provide a view of an organization from both internal and external perspective. Before we get to the details, let us draw your attention to some other strategic management models, such as SWOT analysis, IFE matrix, EFE matrix, BCG matrix, and SPACE matrix. Strategic management professionals often work also with the quite analytical model called QSPM model. Understanding the Product Life Cycle and Porter's Five-Force model is also very important.



* Adapted from Kaplan & Norton, 1996. *The Balanced Scorecard*. Harvard Business School Press, 9. Original from HBR Jan/Feb 1996, p. 76.

HR AND THE BALANCED SCORECARD

The balanced scorecard balances financial and nonfinancial measures so that managers focus on long-term drivers of performance and organizational sustainability. As shown in Figure. The balanced scorecard measures performance in four areas:

1. **FINANCIAL MEASURES:** Traditional financial measures such as profit and loss, operating margins, utilization of capital, return on investment, and return on assets are needed to ensure that the organization manages its bottom line effectively.
2. **INTERNAL BUSINESS PROCESSES:** Product and service quality, efficiency and productivity, conformance with standards, and cycle times can be measured to ensure that the operation tunes smoothly and efficiently.
3. **CUSTOMER RELATIONS:** Customer satisfaction, loyalty, and retention are important to ensure that the organization is meeting customer expectations and can depend on repeat business from its customers.

- 4. LEARNING AND GROWTH ACTIVITIES:** Employee training and development, mentoring programs, succession planning, and knowledge creation and sharing provide the necessary talent and human capital pool to ensure the future of the organization.

Organizational results in each of these areas determine if the organization is progressing toward its strategic objectives. For example, some firms have noticed that when survey results show a decline in employee satisfaction, several months later there is a decline in customer loyalty and repeat customer sales. Or expenditures in employee leadership development training can be linked to lower employee turnover and reduced time to hire managers from outside the organization.

15.7 APPRECIATIVE INQUIRY

Appreciative Inquiry is an approach to organizational change which focuses on strengths rather than on weaknesses quite different to many approaches to evaluation which focus on deficits and problems.

15.7.1 DEFINITION OF APPRECIATIVE INQUIRY

From the Handbook of Appreciative Inquiry, ([link here](#)) here's a comprehensive definition: "Appreciative Inquiry is the co-evolutionary, co-operative search for the best in people, their organizations, and the relevant world around them. AI involves the art and practice of asking questions that strengthen a system's capacity to apprehend anticipate and heighten positive potential. AI practice focuses on the speed of the imagination and innovation. Instead of negative, critical, and spiraling diagnoses commonly used in our organizations, there is discovery, dream, design and destiny."

Appreciative inquiry (AI) is a model that seeks to engage stakeholders in self-determined change. According to Gervase Bushe, Professor of Leadership and Organization Development at the Beedie School of Business and a researcher on the topic, "AI revolutionized the field of organization development and was a precursor to the rise of positive organization studies and the strengths based movement in American management."

It was developed at Case Western Reserve University's department of organizational behavior, starting with a 1987 article by David Cooperrider and Suresh Srivastva. They felt that the overuse of "problem solving" hampered any kind of social improvement, and what was needed were new methods of inquiry that would help generate new ideas and models for how to organize.

15.7.2 ORGANIZATIONAL CHANGE AND APPRECIATIVE INQUIRY

Appreciative Inquiry is an affirming way to embrace human and organizational change. As a transformational change methodology, AI offers a life-centric, structured approach to energize people in organizations to move in the direction of what they most desire. Its framework focuses organizational members on their existing core capacities, strengths, and successes; it invites them to envision possible futures; it initiates collaborations to identify opportunities, design projects and activities the

members are willing to commit to. This change methodology has the perspective that every system, human and otherwise, has something that works right already, things that contribute to its aliveness, effectiveness, and success, connecting it in healthy ways to its stakeholders and the wider community. With the Appreciative Inquiry perspective, we can create positive change that can be sustainable, thereby expanding capacity for wellbeing and flourishing.

15.7.3 PROCESS OF APPRECIATIVE INQUIRY

The process of Appreciative Inquiry was originally referred to as the 4-D Cycle Discover, Dream, Design, and Destiny. Increasingly, most practitioners refer to the model as the 5-D Cycle because we know the importance of Defining the topic for an Appreciative Inquiry experience. Without a clearly defined topic, there is no topic to inquire into. The 5-Ds are an iterative cycle.

1. **Define Phase:** the phase during which organizational members gather data to decide the Affirmative Topic that will be the focus of the inquiry for the change the system seeks to make.
2. **Discover Phase:** when members of the organization inquire into high-point experiences and identify strengths and capabilities related to the Affirmative Topic all of which add up to the “positive core.”
3. **Dream Phase:** the phase in which the members share images and co-create possibilities of what a co-created future might look, sound, and feel like when the “positive core” comes to life. (That could be immediately, or at some time in the future.)
4. **Design Phase:** during which members collaboratively begin to design what projects and investments can (practically) and should (morally) be made to build organizational capacity to bring the Dream to life.
5. **Destiny Phase:** the phase when agreed commitments are implemented and there is continued commitment also to learning, innovation, and delivery of the outcomes all stakeholders care about.

15.7.4 PRINCIPLES OF APPRECIATIVE INQUIRY (AI)

Appreciative Inquiry was the first serious managerial method to refocus attention on what works, the positive core, and on what people really care about. Today, these ways of approaching organizational change are common. The five principles of AI are:

1. **The Constructionist Principle** proposes that what we believe to be true determines what we do, and thought and action emerge from relationships. Through the language and discourse of day to day interactions, people co-construct the organizations they inhabit. The purpose of inquiry is to stimulate new ideas, stories and images that generate new possibilities for action.
2. **The Principle of Simultaneity** proposes that as we inquire into human systems we change them and the seeds of change, the things people think and talk about, what they discover and learn, are implicit in the very first questions asked. Questions are never neutral, they are fateful, and social systems move in the direction of the questions they most persistently and passionately discuss.

3. **The Poetic Principle** proposes that organizational life is expressed in the stories people tell each other every day, and the story of the organization is constantly being co-authored. The words and topics chosen for inquiry have an impact far beyond just the words themselves. They invoke sentiments, understandings, and worlds of meaning. In all phases of the inquiry effort is put into using words that point to, enliven and inspire the best in people.
4. **The Anticipatory Principle** posits that what we do today is guided by our image of the future. Human systems are forever projecting ahead of themselves a horizon of expectation that brings the future powerfully into the present as a mobilizing agent. Appreciative inquiry uses artful creation of positive imagery on a collective basis to refashion anticipatory reality.
5. **The Positive Principle** proposes that momentum and sustainable change requires positive affect and social bonding. Sentiments like hope, excitement, inspiration, camaraderie and joy increase creativity, openness to new ideas and people, and cognitive flexibility. They also promote the strong connections and relationships between people, particularly between groups in conflict, required for collective inquiry and change.

Some researchers believe that excessive focus on dysfunctions can actually cause them to become worse or fail to become better. By contrast, AI argues, when all members of an organization are motivated to understand and value the most favorable features of its culture, it can make rapid improvements.

15.8 INTEGRATING HRD WITH TECHNOLOGY

In the information age, technology is rapidly becoming an integral part of organizational life. Ever increasing technology applications have significantly reshaped the day-to-day practices of human resource development (HRD). This chapter explores the role of technology in HRD. Specifically, it addresses three issues. First, it identifies the challenges that technology has brought to HRD in the twenty-first century. Second, it analyzes the impact of technology on HRD practices with a focus on emerging HRD practices in virtual environments. Third, it provides insights into the future of virtual HRD in training and development, organizational development, and career development.

Human Resource Development is all about learning, training, developing and educating the employees in the workplace. There is a difference between these four concepts but they are all correlated. If for example we looked at learning; this can be learnt anywhere and you can be learning yourself the new skills, but on the other hand if you looked at education you are being taught something but in a formal way but the two are linked because from both of these you are learning new skills and then you can go on to training and developing them skills.

Technology development is an important activity for the innovation process within the business, and may include acquired knowledge. In this context, all activities may have some technical content, and result in greater technological advancement. Information Technology may have a greater impact on organizations that exist in a dynamic environment. This will lead to greater efficiency and effectiveness of the Human

Resources. Hence, utilizing IT applications for database management and advanced recruitment systems will increase the efficiency of the business. However, innovation in Human Resource Management can manifest itself in a number of ways:

- To identify solutions quickly and flexibly during a negotiation
- To identify new ideas for products and services
- To identify new markets

15.8.1 IMPACT OF INFORMATION TECHNOLOGY ON HUMAN RESOURCE DEVELOPMENT

Innovations such as these are supplemented with Information Technology to create a positive impact in HR. Rosabeth Moss Kanter, one of the leading management theorists of her time, argued that the re-birth and success of business organizations will depend upon innovation (developing new products, introducing new services, and operating methods), entrepreneurship (taking business risks) and inclusive management (encouraging all employees to participate in making decisions about work). Information and Communication Technology (ICT) can make the following major impacts in Human Resource Development.

1. **Better Services to Line Managers:** Both HR and line manager's primary interest is the success of the business. The human resource's main function is to support the workforce needs of the organization. Strategic planning between HR and line managers is important for reviewing projections concerning future business demands to determine whether to train current employees, to prepare them for promotion or to recruit candidates with the higher level of skills to supplement the current employee knowledge database. Training and developing the line managers in IT tools will, therefore, prepare the line managers for a number of leadership tasks.
2. **Enhancing Management:** Human Resource IT tools that can supplement management and enhance efficiency and effectiveness, which can lead to the success of the organization as a whole. Managers within the organization measure performance, sometimes by comparing it against a benchmark. They analyze and assess their findings and design their controls accordingly to advance the organization's performance.
3. **Effective Recruiting:** Nowadays, organizations have realized that effective recruiting cannot be done without the use of IT. Organizations now use job portals on the internet to search for the best candidates for the position. The process has been made effective with the use of the internet as many people come to know of the offer and hence increases the probability of hiring efficient employees. The HR IT tools not only help hire the best potential but also retain it.
4. **Data Management and Critical Analysis:** Data management becomes easier when IT is used and it becomes paper-free. Many of the monotonous work is no longer manual. This increases the efficiency of the work and the effectiveness of it. Thus by developing this HR IT tool, Zenefits has helped Passport radically simplify and manage its HR internal processes.

5. **Inventory Management Tools and Human Resource Development:** Entrepreneurs with business acumen describe that the performance of an organization can be made more effective and efficient by customer intimacy, operational efficiency, and leading edge. Customer needs must be met by customization and by providing outstanding customer instances. For this purpose, organizations use HR IT tools to provide a universal set of products and diversify the business by providing improved products and services.
6. **Cost-Reduction and Efficiency:** Johnson, Scholes and Whittington have rightly said, "Poor performance might be the result of an inappropriate configuration for the situation or inconsistency between structure, processes, and relationships." Management often uses the Operation's Research to maximize the profit, yield, utilization and the performance. The management of an organization usually creates a measurement system to set targets for change and measure organizational performance.
7. **Customer Service and Human Resource Development:** Organization performance can also be described by evaluating the reliability of service and by understanding the quality of customers of the organization. Value can come from providing a reliable service, so that the customers know that they will receive the service on time, at the promised time, to a good standard of performance. As organizational change is inevitable, critical success factors and key performance indicators should be revised, and relevant Human Resource IT tools must be devised for the better quality of work. Doing good quality work and providing quality results will increase organizational performance.
8. **Automation of HR Processes:** Human Resource Development is an incredibly complex domain that involves many processes. And it often happens that HR specialists spend too much of their precious time on mundane, monotonous activities instead of focusing on more serious issues. The implementation of technology into the HR workflow frees the professionals from a great amount of routine work. The automation of processes eliminates paperwork, speeds up the execution of many tasks, and contributes to more efficient HR performance.
9. **Availability of HR Tools:** Several years ago, HR specialists struggled with endless phone calls, emails, and paperwork. They had to keep dozens of processes and tasks in mind. Now, there are hundreds of available HR tools that are designed specifically to facilitate and optimize the work of HR specialists. The features of the HR software include:
 - Streamlining workflows
 - Organization and management of employee data
 - Creation of detailed employee records
 - Social collaboration
 - Management of payroll, vacation, and bonuses
10. **A New Way to Brand a Company:** Company branding is an important factor in attracting and retaining employees. Thanks to IT, companies now have an option to build a strong online presence and reach numerous potential candidates with minimal effort. Finally, don't forget the mobile business applications. A mobile application is an amazing way to redesign a company's brand in accordance with the demands and interests of a target audience, and

add interactivity to it. IT has greatly expanded not only the talent pool but also the way HR specialists can reach top talent and promote the company online.

11. **Analytics Grants Access to More Data:** Finally, Information Technology granted HR specialists access to sophisticated analytics, taking their work to a new level. Previously, HR specialists had to rely on guesswork and intuition when evaluating the employees, their level of motivation and satisfaction, and the efficiency of HR processes. Now, they can rely on the data and see all the processes and work results reflected in numbers.

15.9 SUMMARY

Competency mapping is a process of identifying key competencies needed to carry out successfully a given job/role/a set of tasks at a given point of time. In other words, competency mapping is a method of examining the weaknesses and strengths of an employee or organization. Competency mapping is commonly employed as the basis for any competency assessment you can do at a later stage. The output of a thorough competency mapping of key positions is usually a role directory with needed competencies. When the competency mapping process is finished, the map becomes an input for a number of other HR processes for example job-evaluation; recruitment; training and development; performance management; and succession planning.

The People CMM consists of five maturity levels that establish successive foundations for continuously improving individual competencies, developing effective teams, motivating improved performance, and shaping the workforce the organization needs to accomplish its future business plans. Each maturity level is a well-defined evolutionary plateau that institutionalizes new capabilities for developing the organization's workforce. By following the maturity framework, an organization can avoid introducing workforce practices that its employees are unprepared to implement effectively.

The Balanced Scorecard is a tool used to evaluate the effectiveness of Human Resource Management and is developed by Kaplan and Norton. In this method, the HR evaluates not only the financial performance of the organization but also takes into the consideration the key performance indicators of customer service, internal business process and learning & growth achieved by the organization.

Appreciative Inquiry is an affirming way to embrace human and organizational change. As a transformational change methodology, AI offers a life-centric, structured approach to energize people in organizations to move in the direction of what they most desire. Its framework focuses organizational members on their existing core capacities, strengths, and successes; it invites them to envision possible futures; it initiates collaborations to identify opportunities, design projects and activities the members are willing to commit to.

According to the Gallup survey, engaging your employees to organizational goals is the key feature of every business. The management should also ensure that all departments are improving its procedures and controls and targeting its activities on better achieving the company's competitive differentiation through what the

employees do and how they are doing it. These can be better utilized by customized HR IT tools according to the organization.

15.10 SELF-ASSESSMENT QUESTIONS

- Q-1. What do you understand about the concept of competency mapping? Explain.
- Q-2. Define the competency mapping and explain it in detail.
- Q-3. What is the need for competency mapping in an organization? Explain.
- Q-4. Elaborate the key components of competency mapping.
- Q-5. What are the important approaches to competency mapping? Discuss each in brief.
- Q-6. What is the people capability maturity model (P-CMM)? Explain.
- Q-7. Elaborate the principles of people capability maturity model (PCMM).
- Q-8. Explain process maturity rating of PCCM.
- Q-9. What are the maturity levels of the people capability maturity model (P-CMM)? Explain.
- Q-10. Discuss the benefits of CMM.
- Q-11. What do you understand by a balanced scorecard? Explain.
- Q-12. Define an appreciative investigation. Explain.
- Q-13. Discuss the relationship between organizational change and appreciative inquiry.
- Q-14. Explain the process of appreciative inquiry.
- Q-15. What are the principles of appreciative inquiry (AI)? Discuss each.
- Q-16. Explain integrating HRD with technology.
- Q-17. What is the impact of information technology on human resource development? Discuss it.

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UNIT 16: EMPLOYER BRANDING AND OTHER EMERGING TRENDS

UNIT FRAMEWORK

- 16.1 Objectives
- 16.2 Introduction
- 16.3 Employer Branding
 - 16.3.1 Concepts of Employer Branding
 - 16.3.2 Definitions of Employer Branding
 - 16.3.3 Key Factors That Influence Employer Branding
 - 16.3.4 Importance of Employer Branding For a Company and Organizations
 - 16.3.5 Importance of Employer Branding For Business Performance
 - 16.3.6 Engaging Employees to Become Brand Advocates during Covid-19
- 16.4 Other Emerging Trends
 - 16.4.1 Remote Working and Learning
 - 16.4.2 Next-Gen Digital and Virtual Collaboration Tools
 - 16.4.3 App-Based HR Ecosystems
 - 16.4.4 Security Implications and Data-Driven Strategies
 - 16.4.5 Employee Wellbeing and Mental Health
 - 16.4.6 Overcoming the Challenges of a More Fluid Workforce
 - 16.4.7 New Normal of the Employee Experience
 - 16.4.8 Diversity, Equity and Inclusion
- 16.5 Summary
- 16.6 Self-Assessment Questions
- 16.7 Text and References

16.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the concepts of employer branding and definitions of employer branding; key factors that influence employer branding
- To determine the importance of employer branding for a company; organizations and business performance; engaging employees to become brand advocates during covid-19
- To elaborate other emerging trends; remote working and learning; next-gen digital and virtual collaboration tools; app-based HR ecosystems
- To explore the security implications and data-driven strategies; employee wellbeing and mental health
- To describe how to overcome the challenges of an increasingly mobile workforce; new normal of the employee experience and diversity, equity and inclusion

16.2 INTRODUCTION

In this era of good corporate governance, the emerging role of human resource is delivering effective governance and social responsibility. In order to achieve this, Simon Barrow (1996), a Consultant, coined a concept called 'Employer Branding'.

Employer branding is the process of managing and influencing your reputation as an employer among job seekers, employees and key stakeholders. It encompasses everything you do to position your organization as an employer of choice. Your employer brand is your organization's reputation as an employer. In simpler terms, it's what job seekers and employees really think of you. It's what they tell their friends and family when you aren't around. Though it may not be tangible, your employer brand is an asset that requires constant cultivation. That's where employer branding comes into play.

Why 'manage' and 'influence' instead of 'own' or 'dictate?' Because your employer brand is not something you actually own. Your reputation as an employer exists in the minds of candidates and employees, and it is shaped by their thoughts and impressions. You have an employer brand, whether or not you actively manage it. Candidates and employees have an opinion about you, and if you aren't working to influence it, you're at their mercy. Think about the totality of your firm's recruiting and retention efforts as a series of individual interactions. Every touch point leaves an impression with candidates and employees that shapes your employer brand and your ability to hire and retain great people. Without proper management, each one of those touch points can become a deal breaker, costing you candidates and employees.

As the Covid-19 pandemic took hold, any idea that the future is on a clear, linear trajectory from the present was nothing but shattered. This time of deep disruption has been felt by everyone, everywhere in the world, in nearly all aspects of our personal and professional lives. The uncertainty and transformations of 2020, staunching from

a global public health crisis, as well as social and political upheaval of all types, have been unprecedented, unaccountable, and, in many ways, unreal. With this ever-changing professional world, companies also have to evolve their HR practices to stay relevant. Moreover, with a majority of the workforce slowly taken over by the millennial and remote work, progression is quite visible in diverse areas, and the HR department of a firm needs to embrace them. Organizations need to emphasize on adapting recent HR technologies to their advantage, reinforcing workforce abilities, ensuring data security, improving candidate and employee experiences, and more.

16.3 EMPLOYER BRANDING

Employer branding is the strategic process that involves creating a unique place of work that attracts the talent whose knowledge and skills are needed to meet the organization's goals and objectives. Employer branding is about making sure that employees feel good about the place they work. Employees can then be ambassadors for the organization and that "feel good factor" can permeate out to others, notably customers and clients.

Employment branding is a strategic and marketing effort designed to make an organization appealing as a place to work. The targeted marketing effort attempts to shape the perceptions of potential employees, current employees and the public. Successful employment branding should reduce hiring costs and ease the hiring process.

16.3.1 CONCEPTS OF EMPLOYER BRANDING

The word 'Employer Branding' may be split up as;

Employer Branding = 'Employer' + 'Branding'

'Employer' means a person or an institution that hires people.

'Branding' means a strategy that allows an organization to differentiate itself from competition and in the process, to bond with their customers to create loyalty. Thus, a position is created in the marketplace that is much more difficult from the competition to poach. A satisfied customer may leave; but a loyal customer is much less likely to leave.

Just like any other brand, an Employer Brand has value and positioning. Employer branding is critical to build an image in the minds of potential employees and market the company as a 'great place to work'.

The objective of Employer Branding is quite simple. It is a strategy employed by an organization to create an Employer Value Proposition (EVP) that conveys to desired current and prospective employees why the organization is unique, appealing and a fantastic place to work in. Employer branding gains tremendous importance in times when the talent pool is shrinking and is becoming increasingly difficult to attract and retain talent. It then becomes critical to position the organization in the minds of the target audience to give it every possible advantage in attracting employees with superior skills and knowledge, a primary source of competitive advantage for any organization.

16.3.2 DEFINITIONS OF EMPLOYER BRANDING

According to Simon Barrow: 1996, "Employer Branding can be defined as the package of functional, economic and psychological benefits provided by employment, and identified with the employing Company."

According to HP: 2002, "Employer Branding may be defined as an organic set of convictions an audience holds about a product, candidate idea or organization."

According to The Conference Board: 2001, "Employer Branding establishes the identity of the firm as an employer. It encompasses the firm's values, systems, policies and behaviours toward the objectives of attracting, motivating, and retaining the firm's current and potential employees."

From an analytical study of the above definitions, we may conclude that:

- Employer branding requires alignment of management and HR practices that ensure an employee experience that matches the image portrayed.
- Employer branding necessitates allowing the work environment and experiences to sell corporate image to human resources.
- Employer branding is about effective and coherent talent management system recruitment, orientation, training and development and performance management.

Thus, employer branding is a solid process based approach to discover and articulate the organization's unique identity, which is connected in compelling ways to the individual identities and aspirations of human resources, both current and potential.

16.3.3 KEY FACTORS THAT INFLUENCE EMPLOYER BRANDING

- Salary of the employee paid by the employer.
- Employee benefits given by employers.
- Job security; Pleasant working atmosphere.
- Work-life balance. (Definite or fixed working hours in the job , but not irregular working hours)
- Career progression opportunities. (Simply means growth in the job by way of promotion linked with increase in remuneration)



Any company that wants to build a strong employer brand should concentrate on the characteristics listed above. Employee salary plays a key role in gaining employer brand name by an organization. Having a strong employer brand name not only helps to attract talented employees, but it also helps to retain talented employees within an organization. Organization need not struggle much for recruiting talented employees,

if it has employer brand name in the market. Hence employer brand name definitely saves cost for searching talent and also its valuable time which is equal to cost.

16.3.4 IMPORTANCE OF EMPLOYER BRANDING FOR A COMPANY AND ORGANIZATIONS

1. **Attracts Quality Candidate:** Research says a strong employer brand attracts 50% more qualified applicants. When your organization has a solid reputation in the market, you have no problem in attracting the best people for the job. Moreover, you spend less time reaching out to qualified people as the applications pour in.
2. **Reduces Cost Per Hire:** When your company has a reputation for being a top employer in the market, candidates approach you directly, and these candidates are a better fit since they already know what the company stands for and what is expected from them. With the increased inflow of qualified candidates, you tend to spend less time and less money on sourcing the right people for your open roles. The money you save can be reinvested in further enhancing the employer brand or in product development to get ahead of the competition.
3. **Enhances Employee Experience:** Employees who work for top employers take pride in their work. They are generally more motivated and enthusiastic. Highly motivated employees are great assets to the employer. They are more productive, and that translates into better business growth, ensuring higher revenue and increased financial stability of the company. While a financially stable company makes employees feel secure in their jobs, it also becomes attractive to potential candidates.
4. **Increases Employee Referral Rate:** If your current employees are happy working with you, they become your brand ambassadors. They spread positive reviews, opinions, and statements about you, making you an ideal employer. The more your employees talk positively about you, the more referrals they generate.
5. **Improves Company Perception on Social Media:** Your brand is what other people say about you when you're not in the room. So, when these people talk good about you on social media channels, people reading about you on these channels form a positive opinion about you. So, when the time comes, they won't think twice about approaching you for a job directly.

Final Thoughts: It's important to understand why employer branding matters and how it can benefit the overall business performance in the long term. Employer branding is not something you leave to chance. Take time to plan and document a robust employer branding strategy and ensure everybody is working towards the same goal.

16.3.5 IMPORTANCE OF EMPLOYER BRANDING FOR BUSINESS PERFORMANCE

Kelly Barcelos is a progressive digital marketing manager for Joboid Applicant Tracking System. She is responsible for leading the content and social media teams at work. Employer branding has evolved from just a marketing buzzword to an integral element for business growth. According to research, 75% of job seekers consider an employer's brand before they even apply for a job. And 96% of employers believe that their employer reputation and brand have an impact on their business revenue. Many

companies all over the globe are taking note of these numbers and are continuously striving to develop their employer brand to attract a better quality of talent. Because if they don't work on their employer branding, they would be sabotaging their hiring efforts, making it more challenging to hire the best talent.

16.3.6 ENGAGING EMPLOYEES TO BECOME BRAND ADVOCATES DURING COVID-19

As COVID-19 continues to rain havoc around the world, the need for businesses to maintain their customer bases is even more evident. Businesses are closing down left right and center, and if your customers don't hear from you for a long time, they might assume that you are not operating. One way to ensure that customers keep hearing from you is by strengthening your online presence. And what better way to do that is than to partner with a web development company that offers both creative and marketing services. This will also inspire your employees to further advocate for the company.

Because we are living in an uncertain moment, the context of the message must shift. You don't want to appear promotional when your customers are focused on the pandemic. Your employees can help you send your brand message without appearing too pushy. In addition, your employees have a more personal relationship with their audience. They are more likely to be a trusted source of truth about your brand.

Here are 5 tips on how you can encourage your employees to become your brand ambassadors during the pandemic period.

- 1. Make Them Feel a Part of the Company Goals:** One secret about turning employees into brand advocates is not to push them. The need to share about the organization should come from within them and not something HR orders them to do. The only way they are going to be compelled to talk about you is if they feel like a part of the bigger picture. Now that your employees are probably working away from each other, a constant reminder of how their roles align with the company's goals can go a long way in cementing their position in the company. This will keep them engaged and committed to the organization, projecting their brand ambassadorship naturally.
- 2. Keep Them Updated:** With teams working away from each other, constant communication is what glues everyone together. It is even more important when it comes to turning employees into brand ambassadors. To start with, employees can't share information that they don't have. It is therefore very important to ensure that you are keeping them in the loop of what is going on in the organization. If you have offers coming up, new advertising campaigns, or anything new going on, ensure that you keep them updated. This will not only show transparency, but it will also create a sense of trust between you and them.
- 3. Provide Shareable Content:** Many people would be willing to share about their employers, but the thought of finding the information to share or writing a full blog post appears to be too much work for them. You can make their work easier by providing curated content for them to share. Think of relevant videos, blog posts, case studies, and industry news. Encourage them to share that with their

personal perspective of the same. Of course, the process involves handling and sending large files. You need a solution that can help you ensure efficiency.

4. **Offer Personal Development Incentives:** When employees hear about brand advocacy, it is easy to think about what is in it for them. If they don't see anything to gain from it, most will be likely to back out. It is important that you approach the whole thing as beneficial for both you and the employee. Think of an incentive that will keep your employees engaged in the process for a long time. For instance, you can equip them to become influencers in their line of work. They can showcase their expertise in their fields while tying the message with your brand message. This way, their career gets a lift and your business benefits.
5. **Offer Rewards:** Besides offering incentives, rewards for good work are known to keep employees engaged in their roles. It can do the same when it comes to brand advocacy. Keep employees interested in sharing your brand message out there by offering frequent giveaways for the people that surpass expectations. You can also create fun social media contests that they can share on their pages and award the winners.

Conclusion: Employee advocacy is the new trend in online employer branding. It is successful in that employees are able to bring out the brand message in a loyal and genuine way. People can recognise the difference between a paid advertisement and a genuine one, and using employees makes all the difference. COVID-19 has affected operations on so many fronts, yet the need to be heard is now more relevant than ever. Your employees provide a cheaper way to do so in this hard time.

16.4 OTHER EMERGING TRENDS

The Covid-19 pandemic will be recorded in history as a black swan event and has significantly and permanently changed the present and future of work forever! While the year 2020 and 2021, two years have been mentally, physically and emotionally challenging, most of us have emerged relatively unscathed from the turmoil that turned our world upside down.

HR has never been more in the limelight ever before and CHROs have found a seat at the executive table. Across sectors and organizations, CHROs are leading the discussions on business continuity, and the response to Covid-19. The successful accelerated adoption of tactical digital HR tools has led to universal appreciation and recognition of what HR can achieve if pushed to act urgently. It is now time to take a step back from the chaos and attempt to look forward to what 2022 will herald for business and HR professionals. EY's global 'Physical Return and Work Reimagined' (PRWR) research indicates that 79% of employers are looking to extensively/moderately improve digital workforce tools, and over 84% of employees too believe that this is an absolute necessity. We believe that there are five trends which organizations should focus on to really change the digital HR paradigm.

EMERGING TRENDS: 2020 has made irreversible changes in people's lives and also businesses. A few changes, which we thought to be impossible or take time during pre-COVID times, have become reality today. With vaccines found for COVID-19, will we go back to the familiar normal or continue living in the new normal? The answer to this one question decides the future of HR in 2021 and beyond.

The uncertainties have grown, but the trends are decided based on the current scenario of the business world.

16.4.1 REMOTE WORKING AND LEARNING

It only takes a couple of statistics to start realizing how much of a head-scratcher the remote working and returning to offices issue might be in the long term. 82% of remote managers are concerned about employee focus and productivity, but 98% of employees want the option to work from home for at least some of the week across the rest of their careers.

Working from anywhere has always made the list of HR trends but it always seemed like a distant reality. This pandemic has smashed all the conceptions of HR experts and made some unbelievable changes. Working from anywhere is a reality today. Many companies are planning to continue it even after the situation is brought back to normal. Tools like Slack, Zoom, and Synergita are used to ensure uninterrupted communication and collaboration among team members.

All the collaboration tools-based companies will work on improving their products to facilitate seamless communication among remote workers. Adopting sophisticated collaboration tools and experimenting with different software to enhance employee experience in the organization will be one of the major behaviors of HR in organizations of any domain except the manufacturing and logistics industries.

16.4.2 NEXT-GEN DIGITAL AND VIRTUAL COLLABORATION TOOLS

Most organizations have managed the immediate shift to MS Teams, Zoom, Slack, BlueJeans, and other collaboration platforms. The next challenge will be to build a digital culture and keep innovating on the collaboration experience, leverage cloud-based collaboration and engagement platforms (like Workplace by Facebook) and implement technologies which most mirror the highly effective and engaging human-to-human physical interactions which was the cornerstone of our work experience.

16.4.3 APP-BASED HR ECOSYSTEMS

As most businesses continue to operate remotely or under limited capacity, organizations will need to focus on enhancing employee experience by designing an app-based self-service HR ecosystem, providing holistic coverage of all the touch points in an employee lifecycle. There is a plethora of point technology solutions available in the HR space, and employers will need to holistically integrate these with their HRMS platforms to provide a seamless on-demand experience to employees without worrying about not being at the workplace.

16.4.4 SECURITY IMPLICATIONS AND DATA-DRIVEN STRATEGIES

Connecting remote workers securely has been a great challenge for organizations. Having great digital experience does not guarantee a secure flow of information

among remote workers. HR and top executives of companies will focus more on a secure way of communication and sharing of knowledge and resources.

Acing data and analytics is the way to stay ahead in the game of business. Today, all the software products are focusing on providing more data reports and analytics of the user's activity. Planning strategies based on the data can assure the best results for the organization. For instance, the performance report of an employee generated by a tool provides the required information on how the employee performs, what he lacks, his achievements, etc.

16.4.5 EMPLOYEE WELLBEING AND MENTAL HEALTH

In 2021, you'd have to be quite callous not to invest some time and effort in employee well-being, after the challenges and disappointments of 2020 it could be hugely beneficial to your entire business. The main reason is that employee wellbeing is intrinsically linked to productivity.

Presenteeism (13.4%) and absenteeism (1.1%) accounted for 14.5% of lost working hours in 2019, according to a Vitality study. That equated to a loss of 38 productive days per employee per year, rising from 23 days in 2014. So, it's likely that the 2020 increase could be eye-watering. Given that only 51% of employees feel comfortable talking about mental health at work and that's a pre-COVID number, working remotely and doubting job security could make it much worse.

Expect an increase in the use of employee wellbeing apps in 2021. We covered a few options in our HR Tech Stack Guide, and the common theme is that all of those act as diaries. These apps allow people to monitor patterns in their moods, sleep and general health, while offering content to coach and guide them through these issues.

We should probably encourage you to think outside the box too, to get creative and make sure your employees are having fun, connecting with their peers and generally enjoying work. Lockdown showed us that necessity is the mother of social invention, from companies creating walking/running challenges and leaderboards to cocktail and doughnut decorating classes. We even did a live cook along at How Now! The same kind of energy will be needed in 2021.

16.4.6 OVERCOMING THE CHALLENGES OF A MORE FLUID WORKFORCE

There's no doubt that COVID-19 has brought on an abundance of economic uncertainty, causing many workers to lose their jobs and companies to reconsider their hiring and workforce management models. A more fluid workforce is a trend that's here to stay. According to Peter Miscovich, Managing Director at JLL Consulting, as much as 80% of the workforce will be working on a freelance basis by 2030.

16.4.7 NEW NORMAL OF THE EMPLOYEE EXPERIENCE

2020 has already forced many companies and workers to rethink what the employee experience means. With less job security and a shift towards remote work, many of us are adjusting to a "new normal" when it comes to how, when, and where we work. But

McKinsey also found that more than 80% of their respondents said the pandemic is materially affecting their work lives. In 2021, HR departments will need to get more clear on how employees are affected through engagement tools and company surveys. They will then need to use that data to start defining the employee experience and company culture unique to each organization.

16.4.8 DIVERSITY, EQUITY AND INCLUSION

It's probably been on the trends list for the past few years, but with 2020 shining a spotlight on a raft of issues around diversity, it's likely that 2021 could be the biggest year for diversity, equity and inclusion (DE&I).

It's an issue that often throws up more hot potatoes than the office canteen, so maybe it's best to cool those down by looking at some statistics. According to the World Bank, gender equality in workplaces could aid the global economy to the tune of £120 trillion, while McKinsey revealed that more gender and ethnic diversity in teams can drive profitability by 21% and 33%, respectively.

A changing workplace will lead companies to look at diversity in many senses of the word, like diversity of thought, working experiences, personalities and education. And it'll almost certainly begin with research: what does the statistics say about the current workforce? What's lacking? And how are they going to address that in 2021.

16.5 SUMMARY

It's almost impossible to overstate the importance of employer branding. While the concept has been around for decades, it didn't gain widespread attention until the mid-90's when the first online job boards were launched. Almost overnight, employees had access to millions of opportunities across the country. The workforce became more fluid than ever before, and the days of sticking with one company for the long haul were over. Smart employers adapted to this shift (some faster than others) and began to take proactive steps toward attracting and retaining top talent, but thousands of organizations still fail to capitalize on the benefits of employer branding. And those benefits are significant.

In 2020, much of the employer branding content of years gone by would have felt out of touch. A new year might be on the horizon, but 2021 doesn't come with a reset button. Many of the conversations that dominated this year will continue into the next, and many of the trends we've highlighted here will shape the employer branding landscape for years to come so finding your company's voice is critical. As newer trends emerge and women's participation in the workforce, especially in tech-based roles, begins to surge, 2021 could be a revolutionary year for diversity and inclusion in the workplace.

Undoubtedly, the Covid-19 pandemic has disrupted the way HR leaders deliver employee experience. There is no denial of the fact that the transition at the workplace during the pandemic has presented the HR teams with challenges that were initially difficult to manage. With innovation in digital infrastructure, they are set to adapt to the post-pandemic world. Hence, the forthcoming year is likely going to be more

about restructuring the existing work models while staying competitive for business sustainability.

16.6 SELF-ASSESSMENT QUESTIONS

- Q-1.** What do you understand about concepts of employer branding? Explain.
- Q-2.** Define employer branding and discuss it.
- Q-3.** What are the key factors that influence employer branding? Explain.
- Q-4.** Elaborate the importance of employer branding for a company and organizations.
- Q-5.** Discuss the importance of employer branding for business performance.
- Q-6.** What are the engaging employees to become brand advocates during covid-19? Explain.
- Q-7.** What do you understand about the other emerging trends in HRD? Discuss.
- Q-8.** What is remote working and learning? Explain.
- Q-9.** Discuss the next-gen digital and virtual collaboration tools.
- Q-10.** Explain the app-based HR ecosystems.
- Q-11.** What are the security implications and data-driven strategies? Discuss.
- Q-12.** Explain the employee's wellbeing and mental health.
- Q-13.** Discuss the overcoming the challenges of a more fluid workforce.
- Q-14.** What is the new normal of the employee experience? Explain.
- Q-15.** Discuss diversity, equity and inclusion.

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**Uttar Pradesh Rajarshi Tandon
Open University**

MBA 3.11

Master of Business Administration

Block

5

HRD IN VARIOUS ORGANISATIONS

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MBA 3.11: HUMAN RESOURCE DEVELOPMENT

BLOCK 5: HRD IN VARIOUS ORGANIZATIONS

In **Block 5** you would learn about an HRD in Various Organizations; HRD in Organizations; HRD Practices in Government Organizations; HRD Practices of Manufacturing and Service Industries; and International Experiences of Human Resource Development.

Unit 17 discusses about HRD in Organizations; focus of HRD in organizations; organizational structure of HRD; designing HRD systems in organizations; process of organizing HRD system and importance of HRD in organizations.

Unit 18 explains HRD Practices in Government Organizations; HRD practices in government organizations; prime objectives of HRD in government organizations; role of HRD in government organizations; human resource development climate; and selected cases covering HRD practices.

Unit 19 deals with HRD Practices of Manufacturing and Service Industries; HRD practices; HRD practices of manufacturing industries; HRD practices of service industries; and HRD practices of MNCS.

Unit 20 deals with International Experiences of Human Resource Development; international human resource development; international business and IHRD: methodologies; globalisation and the strategy; stages of internationalisation; challenges of international human resource development and the competency required for international managers.

UNIT-17: HRD IN ORGANIZATIONS

UNIT FRAMEWORK

- 17.1 Objectives
- 17.2 Introduction
- 17.3 HRD in Organizations
- 17.4 Focus of HRD in Organizations
- 17.5 Organizational Structure of HRD
- 17.6 Designing HRD Systems in Organizations
- 17.7 Process of Organizing HRD System
- 17.8 Importance of HRD in Organizations
- 17.9 Summary
- 17.10 Self-Assessment Questions
- 17.11 Text and References

17.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the HRD in organizations; definitions of HRD in organizations; the concept of HRD in organizations and the need for HRD in organizations
- To determine the HRD functions; focus of HRD in organizations; and organizational structure of HRD
- To elaborate designing HRD systems in organizations; the process of organizing HRD system; and responsibility of HRD
- To explore the form of HRD organization and HRD for organizational effectiveness;
- To explain the merits of HRD with outcomes; outcomes of HRD

17.2 INTRODUCTION

Development of human resources is essential for any organization that would like to be dynamic and growth-oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, bring to surface, nurture and use the capabilities of people. Human Resource Development (HRD) system aims at creating such a climate. A number of HRD techniques have been developed in recent years to perform the above task based on certain principles. This unit provides an understanding of the concept of the HRD system, related mechanisms and the changing boundaries of HRD.

Human Resource Development (HRD) is the frameworks for helping employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development. Human Resource Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, Human Resource Development can be informal as in employee coaching by experts in the industry or by a manager. Healthy organizations believe in Human Resource Development and cover all of these bases.

17.3 HRD IN ORGANIZATIONS

Everything you need to know about human resource development. Human Resource Development is primarily concerned with developing the skill, knowledge and competencies of people. Human Resource Development (HRD) is a people oriented concept. Human Resource Development (HRD) is a recent and rapidly growing concept; various authors have defined this concept, according to their own point of view. In fact HRD is not training and development but many HR managers and organizations believe that HRD as synonymous to training and development.

Many organizations have set up a new department known as HRD department and others changed their personnel department into HRD department which emphasized the importance of people's competency development. HRD is not a set of techniques but a process of helping people to acquire competencies. As already stated, in the organizational context HRD is a process by which the employees of an organization are helped in a continuous and planned way to:

- Acquire or sharpen capabilities required to perform various functions of their present and future roles;
- Develop their general capabilities as individuals and bring out the inner potential for organizational development purposes;
- Develop an organizational culture which is conducive to motivation and pride of employees and
- Develop themselves with the help of various mechanisms like performance appraisal, job rotation, training and career development.

17.3.1 DEFINITIONS OF HRD IN ORGANIZATIONS

HRD (Human Resources Development) has been defined by various scholars in various ways. Some of the important definitions of HRD (Human Resources Development) are as follows:

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

- In the words of Prof. T.V. Rao, "HRD is a process by which the employees of an organization 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 general capabilities as individual and discover and exploit their own inner potential for their own and /or organizational development purposes; (iii) develop an organizational culture in which superior-subordinate relationship, teamwork and collaboration among subunits are strong and contribute to the professional well-being, motivation and pride of employees." .
- According to M.M. Khan, "Human resource development is the cross of increasing knowledge, capabilities and positive work attitudes of all people working at all levels in a business undertaking."

17.3.2 THE CONCEPT OF HRD IN ORGANIZATIONS

Human resource development in the organization context is a process by which the employees of an organization are helped, in a continuous and planned way to:

- Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
- Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development purposes; and
- Develop an organizational culture in which supervisor-subordinate relationships, teamwork and collaboration among sub-units are strong and contribute to the professional wellbeing, motivation and pride of employees.

This definition of HRD is limited to the organizational context. In the context of a state or nation it would differ. HRD is a process, not merely a set of mechanisms and techniques. The mechanisms and techniques such as performance appraisal, counseling, training, and organization development interventions are used to initiate, facilitate, and promote this process in a continuous way. Because the process has no limit, the mechanisms may need to be examined periodically to see whether they are promoting or hindering the process. Organizations can facilitate this process of development by planning for it, by allocating organizational resources for the purpose, and by exemplifying an HRD philosophy that values human beings and promotes their development.

17.3.3 THE NEED FOR HRD IN ORGANIZATIONS

HRD is needed by any organization that wants to be dynamic and growth-oriented or to succeed in a fast-changing environment. Organizations can become dynamic and grow only through the efforts and competencies of their human resources. Personnel policies can keep the morale and motivation of employees high, but these efforts are not enough to make the organization dynamic and take it in new directions. Employee capabilities must continuously be acquired, sharpened, and used. For this purpose, an "enabling" organizational culture is essential. When employees use their initiative, take risks, experiment, innovate, and make things happen, the organization may be said to have an "enabling" culture.

Even an organization that has reached its limit of growth needs to adapt to the changing environment. No organization is immune to the need for processes that help to acquire and increase its capabilities for stability and renewal.

17.3.4 HRD FUNCTIONS

The core of the concept of HRS is that of development of human beings, or HRD. The concept of development should cover not only the individual but also other units in the organization. In addition to developing the individual, attention needs to be given to the development of stronger dyads, i.e., two-person groups of the employee and his boss. Such dyads are the basic units of working in the organization. Besides, several groups like committees, task groups, etc. also require attention. Development of such groups should be from the point of view of increasing collaboration amongst people working in the organization, thus making for effective decision-making. Finally, the entire department and the entire organization also should be covered by development. Their development would involve developing a climate conducive for their effectiveness, developing self-renewing mechanisms in the organizations so that they are able to adjust and pro-act, and developing relevant processes which contribute to their effectiveness.

Hence, the goals of the HRD systems are to develop:

1. The capabilities of each employee as an individual.
2. The capabilities of each individual in relation to his or her present role.
3. The capabilities of each employee in relation to his or her expected future role(s).
4. The dyadic relationship between each employee and his or her supervisor.
5. The team spirit and functioning in every organizational unit (department, group, etc.).
6. Collaboration among different units of the organization.
7. The organization's overall health and self-renewing capabilities which, in turn, increase the enabling capabilities of individuals, dyads, teams, and the entire organization.

17.4 FOCUS OF HRD IN ORGANIZATIONS

The HRD system is entirely designed keeping in view the contextual factors such as size, technology, skill levels, and support for function. It does focus on developing human resources at various levels (problem-solving capabilities leading to increased employee productivity) and commitment. It aims at taking the organization forward by anticipating changes and preparing people for future challenges. It is important to integrate it properly with other long-range functions such as corporate planning, budgeting, etc. The main focus of human resource development is as follows:

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

2. **Balancing Specialisation and Diffusion of the Function:** Although HRD includes specialised functions; line people should be involved in various aspects of HRD. Action is the sole responsibility of the line people and HRD should strengthen their roles accordingly.
3. **Balancing Adaptation and Change in the Organizational Culture:** HRD systems are designed to suit the organizational culture yet the role of HRD may be to modify that culture to increase the effectiveness of the organization. There are two contrary views; first view is HRD should be designed to suit the culture and the second view that HRD should be able to change the culture. Both positions seem to be extreme. Yet they are complimentary HRD should take the organization forward, and this can be done only if its design anticipates change and evolution in the future.
4. **Focus on Enabling Capabilities:** The main purpose of HRD is to assist the organization to enhance its 'enabling' capabilities. These capabilities include the following development of human resources, development of organizational health, improvement of problem-solving capabilities, development of diagnostic ability so that problems can be located quickly and effectively to achieve increased employee productivity and commitment.
5. **Attention to Contextual Factors:** After considering the various contextual factors of the organization the following issues are decided and settled. What is to be included in the HRD system, how it is to be subdivided, what designations and titles will be used and similar issues, its culture and tradition, size, technology, levels of existing skills, available support for the function, availability of outside help, and so on.

17.5 ORGANIZATIONAL STRUCTURE OF HRD

Generally, the organizational structure of human resources is very flexible; it reflects the immediate needs of the organization. There is no modern organization, where the HRM organizational structure stayed the same for more than 18 months. The HR organizational structure has to follow and meet out the needs of the organization; furthermore, it must allow employees in human resources to function smoothly and to deliver consistent results over a longer period of time. Structure of HRD system is mainly bears responsibility for the following:

1. **Established as the Identity of HRD:** It is important that the distinct identity of HRD be recognized. The person in charge of HRD should bear the responsibility exclusively for this function and should not be expected to do it in addition to any other function. Multiple responsibilities produce several kinds of conflict. This person should report directly to the Chief Executive officer of the organization.
2. **Ensures Respectability for the Function:** In many companies, the personnel function does not have much the reason it is not perceived as a major function within the organization. It is essential that HRD is instituted at a very high level in the organization and that the head of the HRD department be classified as a senior manager. Both the credibility and utility of HRD depend on such resultant.

3. **Balances Differentiation and Integration:** The human resource development function often includes three functions- personnel administration, human resource development and training and industrial relations.
4. **Establishes Linkage Mechanisms:** HRD has connection with outside systems as well as with internal subsystems. It is wise to establish specific linkages to be used to manage the system. Standing committees for various purposes (with membership from various parts and levels of the organization), task groups and ad hoc committees for specific tasks are useful mechanisms.
5. **Develops Monitoring Mechanisms:** The HRD function is never stationary, it is always evolving. Hence these are requirements of systematic monitoring to review the progress and level of effectiveness of the system and planning for its next steps. In reviewing and planning, a thorough annual review and a detailed appraisal every three years will be invaluable. It may be helpful to include persons from other functions in the organization in the HRD assessment effort.

17.6 DESIGNING HRD SYSTEMS IN ORGANIZATIONS

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

1. **Focus on Enabling Capabilities:** The basic objective of HRD is to help the organization to increase its enabling capabilities which include development of human resources at three levels- individual, interpersonal, and group. Simultaneously, focus should be on developing high-performing organizational culture.
2. **Attention to Contingent Factors:** In designing HRD Systems, contextual factors should be taken into account. These factors are organization' size, culture and tradition, technology, nature of workforce and skill levels to be developed. These factors should be taken into account while deciding- (i) what aspects to be included in HRD system, (ii) how to divide HRD system into subsystems, (iii) designations of positions in HRD system, (iv) interaction of HRD system with other functions of HRM.
3. **Linkage with Other Organizational Functions:** HRD system provides support to other organizational functions- production/operations, marketing, and finance. Therefore, an effective link between the HRD system and other organizational functions should be provided.
4. **Balancing Specialization and Diffusion of Functions:** Though HRD is a specialized function; line people should be involved in various aspects. Action related to human resources is the sole responsibility of line people while the HRD system is expected to enable these people to discharge their responsibility effectively.
5. **Balancing Differentiation and Integration:** There should be balance between differentiation and integration of HR functions. Differentiation denotes difference in cognitive and emotional orientation among personnel dealing with different HR functions and integration denotes state of collaboration among these people. While differentiation is necessary for specialization in performing various HR functions, these functions should have a collaborative approach. Therefore, balance is

required between differentiation and integration. While designing the HRD system, proper attention should be given on this aspect.

6. **Developing Monitoring Mechanism:** A system should have a monitoring mechanism through which the performance of the system is measured. If the performance is not up to expectation, corrective actions may be taken to overcome the problem. This is true for the HRD system also. The HRD system works in a dynamic environment. Therefore, it may work well in the given environment. When the environment changes, the HRD system does not work well. Monitoring mechanism ensures that information reaches the person who is responsible for bringing change in the HRD system.
7. **Proper Respect for HRD:** In order to ensure that the HRD system works effectively and achieves its objectives, it must be given proper respect. This can be done by positioning HRD at a sufficiently higher level.

17.7 PROCESS OF ORGANIZING HRD SYSTEM

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

17.7.1 RESPONSIBILITY FOR HRD

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

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

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

17.7.2 RESPONSIBILITY OF HRD DEPARTMENT

Responsibility of HRD department extends to the following:

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

Top management pays highest attention to building culture and climate, and to building strong and self-managing teams. Line management plays the key role; they identify subsystems that need OD efforts and inform HRD department or top management; respond frankly to organizational diagnosis surveys; participate actively in discussions arranged by process specialists; and prepare realistic action plans for OD interventions and implement them. IR (industrial relations), in their turn, develop autonomous work groups; help supervisors to provide support to such groups, develop and conduct role efficacy programmers for workers and other staff. HRD plays a major role in the self-renewal system. They identify subsystems that may need OD; identify managers who can be trained as process specialists (internal resources); conduct organizational diagnosis surveys; and plan and conduct OD interventions and monitor follow-up.

17.7.3 FORM OF HRD ORGANIZATION

Another issue in the organization of the HRD system is the determination of the HRD organization. There may be three alternative ways in which HRD functions can be organized:

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

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

17.7.4 HRD FOR ORGANIZATIONAL EFFECTIVENESS

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

philosophy that is people oriented must be adopted. In order to achieve organizational goals in an effective and efficient manner, HRD should focus on the following:

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

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

17.7.5 MERITS OF HRD WITH OUTCOMES

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

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

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

17.7.6 OUTCOMES OF HRD

- People in organizations become more competent because they become better aware of the skills required for job performance; there is greater clarity of norms and standards.
- People understand their roles better because of increased communication.
- People become more committed to their jobs because there is greater objectivity.
- People develop greater trust and respect for each other.
- There is greater collaboration and teamwork which produces a synergistic effect.
- People find themselves better equipped with problem solving capabilities.
- Useful and objective data on employees is generated which facilitates better human resource planning.

The top management becomes more sensitive to employees' problems and human processes due to increased openness in communication.

17.8 IMPORTANCE OF HRD IN ORGANIZATIONS

Human resource development process is facilitated by mechanisms or subsystems like performance appraisal, training, organizational development, potential development, job rotation, welfare and reward. People are helped to acquire new competencies through the various systems continuously. Personnel management has to deal with the inter-active policies, techniques and procedures that together can help to develop the human resource of an organization. Line managers and staff personnel can cooperate to make sure that all these activities are planned and administered with the aim in mind. Since every achievement in every activity is related to human resources, it is important that a department is created within the organization to continuously serve the areas of human resource development.

The importance of HRD can be judged by observing the following points:

- 1. HRD and Restructuring of Organizations:** Earlier in most of the companies the organizational structure was very complicated. There were many hierarchy levels from top to bottom. The authority used to flow from boss to the person at lower levels in more time. It used to reduce the effectiveness of the structure. The focus is now on small organization due to the growth of managerial talents. Management is interested in increasing the span of control and making the organization flat and wide by reducing the number of layers of subordinates. This has proved successful in the present time. Further, the departments are formed not on the basis of functional specialization but on the basis of products and services. HRD has made these structural changes possible.

2. **HRD and Global Competition:** Due to liberalization of world economies many multinational corporations have entered in different countries through export, licensing, consultancy, collaboration, joint venture, merger and acquisition and foreign direct investment. These have increased the level of competition in almost every country. It has become difficult to carry-out the business effectively. It has become a question of bread and butter for everybody in business.
3. **Technological Changes and HRD:** Due to development of science and technology industrialization started. Further improvement in these brought better machines and techniques. Due to globalization pressure the focus is on cost reduction, short production time, quality of products and services. In this situation an unskilled person cannot deliver the goods as per expectations.
4. **HRD and Employee Empowerment:** In present global markets the MNCs are operating a number of foreign subsidiaries located in different countries. For example, a company based in the USA, having its foreign subsidiaries in China, India, Brazil and Australia and involves a long distance. It has become very difficult to manage these units from its corporate office located in New York. It has been felt that such a type of business can be managed if the company has motivated, talented and dedicated manpower. This is not possible to get such type of manpower. For this management has to put sincere efforts to procure, develop and motivate employees.
5. **HRD and Outsourcing:** Today it has become a need of the business to provide goods and services with lower cost. This compelled many companies to outsource their non-core activities. This helped to develop the concepts of tele working and flexible timing. Now focus has been shifted to physically handicapped workers, women and workers from rural and backward areas.
6. **Compensation to Top Management:** Top management compensation in US firms is fixed as per shareholder value. If the value of shares of the firms increases then the compensation packages of top management will be increased. This keeps the managers motivated and triggers them for good performance. To achieve good performance from employees and of organization as a whole the importance of higher level of skills and competencies is realized.
7. **HRD Job Satisfaction:** Employees take initiative to learn more in organizations that establish a favourable learning environment and provide facilities for training and development, career advancement, and competent guidance. They hope to increase their skills, knowledge, aptitude, and competencies in this way. With a higher degree of talents they are in position to perform their tasks without any difficulty. They get a higher degree of job satisfaction. This provides a solution to many labour problems and helps to maintain good industrial relations in that organization.
8. **HRD and Employee Turnover:** Through HRD efforts the employees become competent and motivated. They work in a good organizational climate. They are satisfied with their work and facilities provided to them. They know their career path and try to achieve it through sincere efforts. They would like to stay with the organization for a longer period. In the present competitive environment it is difficult to procure good employees but it is more difficult to retain them.

- 9. Bright Future of HRD Research:** To manage the business more effectively and better than their competitors, the management of the firms has realized that the HRD process can help them a lot. Further to find out more and better HRD methods and intervention, research in HRD areas is needed. It is possible when the top level management is having an HRD-oriented approach.
- 10. The Basic Principle of HRD Philosophy:** (i) Human potential and its development; (ii) Optimum utilization of human resources; and (iii) A harmonious balance between business strategy and HRD strategy, i.e., strategic planning and HRD should go hand in hand. HRD is thus the responsibility of both line managers and HRD/Personnel specialists. It is a co-operative and massive effort in the organization.

17.9 SUMMARY

The effective performance of an organization depends not just on the available resources. The organization, on the other hand, ensures that it is of the required quality and skill from time to time. The difference between two nations largely depends on the level of quality of human resources. Similarly, the difference in the level of performance of two organizations also depends on the utilization value of human resources. Moreover, the efficiency of the production process and various areas of management depend to a greater extent on the level of human resources development.

HRD includes the areas of employee training, career development, performance management; coaching, mentoring, key employee identification, talent development and organization development. Developing a highly productive and superior workforce is the aim of HRD activities. The role of human beings in an organization's success is deeply recognized. Many formal and informal methods are used for developing the employees. HRD strives for the improvement of not just the individual workers, but for the growth of the group and organization as a whole.

The argument here is that the HRD function is particularly significant in service sector enterprises because human resources are the primary source of competitive advantage in these businesses. In the services sector like the financial and technology companies, the brand value is measured according to the level of intellectual capital which is a derivative of the contribution of the human resources in the company.

Further, the services sector runs on human resources whereas the manufacturing sector uses machines and equipment as the key aspect of production. This means that the HRD function in the services sector has to ensure that the human resources are enabled and fulfilled to actualize their potential. Especially with the prevalence of the RBV or the Resource Based View of the firm that treats human resources as being central to the functioning of companies, the services sector employs different methods and procedures to fulfill this aspect. On the other hand, the manufacturing companies are still in the process of orienting their strategies towards the RBV and in many cases, they might not be able to do so since the mode of operation is fundamentally different from that of the services sector.

HRD consists of three Cs: competencies, commitment, and culture. All three are needed to make an organization function well. Without competencies many tasks of

the organization may not be completed cost effectively or with maximum efficiency. Without commitment, they may not be done at all or are done at such a slow pace that they lose relevance. Without an appropriate culture, organizations cannot last long. Culture provides the sustaining force and spirit for organizations to live. It provides the oxygen needed for them to survive. Its utility comes to the force specially when organizations are in trouble.

17.10 SELF-ASSESSMENT QUESTIONS

- Q-1. What do you understand about HRD in organizations? Explain.
- Q-2. Elaborate the definitions of HRD in organizations.
- Q-3. What is the HRD concept in the organization? Explain.
- Q-4. What is the need of HRD in organizations? Discuss.
- Q-5. Explain the HRD functions in organizations.
- Q-6. Discuss the focus of HRD in organizations.
- Q-7. What is the organizational structure of HRD? Explain.
- Q-8. What are the methods for designing HRD systems in businesses?
- Q-9. Explain the process of organizing the HRD system.
- Q-10. Discuss the responsibility for HRD.
- Q-11. Explain the responsibility of the HRD department.
- Q-12. Elaborate the form of HRD organization.
- Q-13. What is the HRD for organizational effectiveness? Explain.
- Q-14. Discuss the merits of HRD with outcomes.
- Q-15. What is the importance of HRD in organizations? Discuss.

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UNIT 18: HRD PRACTICES IN GOVERNMENT ORGANIZATIONS

UNIT FRAMEWORK

- 18.1 Objectives
- 18.2 Introduction
- 18.3 HRD Practices in Government Organizations
- 18.4 Prime Objectives of HRD in Government Organizations
- 18.5 Role of HRD in Government Organizations
- 18.6 HRD Developments in Government Organizations
- 18.7 Human Resource Development Climate
- 18.8 Selected Cases Covering HRD Practices
- 18.9 Summary
- 18.10 Self-Assessment Questions
- 18.11 Text and References

18.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the HRD practices in government organizations,
- To determine the difference between HR practices and HR activities;
- To elaborate the HR best practices and prime objectives of HRD in government organizations
- To explore the role of HRD in government organizations and HRD developments in government organizations
- To explain the human resource development climate and selected cases covering HRD practices

18.2 INTRODUCTION

Human Resources are considered to be a very critical source in the organization's well-being. Based on the developing ideals of humanization, corporations are now realising that human resources are the most valuable of all assets. Development is considered to be the soul of the human resource management function; this has an impact on the effectiveness of the organization. Human resource management in a growing economy like India is the need of the time and undoubtedly, the manufacturing sector is the most effective instrument for India's economic development, for which developing human resources for this sector has become essential to achieve the objectives.

In the wake of globalization, liberalization and privatization on the economic front, organizations are expected to make objective assessments of the existing status of their HRD system and processes in order to evolve a need based pragmatic HRD Agenda for the future. Almost all the selected subsystems of HRD (except Employee Communication and Employees' Empowerment) have been found to be moderately effective. Concerns of the various stakeholders for HRD cause and practices of selected management styles have also been found at moderate level to facilitate HRD process. HR Productivity has also been found to be confined only to moderate level. The selected HRD sub-systems, concerns of various stakeholders for HRD cause and the selected management styles have been found to have significant impact on HR effectiveness. Such findings of the study indicate that in order to improve the level of HR effectiveness, there exists a dire need of continuous improvement in design and implementation of HRD subsystems (particularly Employee Communication and Employee Empowerment), also in level of concerns of various stakeholders, as well as in practice of the management styles.

18.3 HRD PRACTICES IN GOVERNMENT ORGANIZATIONS

Human resource management is relatively new and developed as a part of management (concerned with the management of Human Resources). In simple terms, personnel management is the task of dealing with human relationships, moulding and developing human behavior and attitude towards the job and organization's requirements. The personnel manager plays a crucial role in understanding the challenging needs of organization and society. Further he has faced some challenging tasks in attaining the employee, organizational and societal objectives with the available resources. In addition to it the growing strength of trade unions, increasing educational standards, etc., further complicates the role of personnel manager. Hence the modern personnel manager should equip himself with good knowledge of disciplines, viz., economics, commerce, management, sociology, psychology, engineering, technology and law.

It is concerned with the development of human resources, i.e., knowledge, capability, skill potentialities and attainment of achieving goals, including job satisfaction. Personnel management is a continuous and never ending process. It aims at attaining the goal of organization, individual and society in an integrated approach. Organization goals may include survival, growth and development in addition to profitability, productivity, innovation, excellence, etc., individual employee goals consist of job satisfaction, job security, high salary, attractive fringe benefits, challenging work, pride, status, recognition, opportunity for development, etc.

Goals of the society include equal employment opportunity protecting the disadvantaged sections and physically handicapped, minimization of inequalities in the distribution of income by minimizing wage differentials, developing the society in general by organizing developmental activities, etc. Human resource management is the central sub-system of an organization and it permeates all types of functional management, viz., production management, marketing management, and financial management.

18.3.1 DIFFERENCE BETWEEN HR PRACTICES AND HR ACTIVITIES

HR practices involve the strategic operations of HR. They form the foundation and guidance for managing the company's employees and should coordinate with the executive business plan. Some examples of HR practices include:

- Setting the mission and goals of the HR department
- Planning, organizing, and managing the HR department
- Measuring the effects of programs
- Creating programs to improve the quality of the work environment
- Developing talent and future leadership
- Conducting motivational programs
- Working with management for on-going performance evaluations
- Overseeing employee advancement opportunities

In contrast, HR activities are the daily activities to implement the strategies determined by HR practices. They allow the mission and the goals of the HR department to be carried out. HR activities may include:

- Payroll
- Surveys
- Recruitment and selection
- Training and development
- Compensation and benefits
- Employee and labour relations
- Retention
- Safety and health
- Employee attendance and time off
- Overtime

The basic terms, HR practices look at the questions of what an organization wants to do and why, and HR activities address how. HR practices should create a natural progression to HR activities so that the activities directly correlate with practices. If one or the other is neglected, it has the potential to cause a schism that will be felt throughout the organization. Your company can function this way, but not at its best.

When HR practices and HR activities are aligned and working hand in hand, HR departments have the ability to thrive, and your company benefits. Optimum human resources involve an understanding and integrated approach to HR practices and HR activities.

18.3.2 THE HR BEST PRACTICES

The greatest HR practices to help you get more value for the money. In other words, if you focus on improving these areas, you'll likely see the greatest results. These areas include recruitment and selection, training and development, transparency, employee benefits, employee incentives, compensation and evaluations, compliance, and terminations.

1. RECRUITMENT AND SELECTION

Recruitment has become a major function from an imperative sub system in HR. HR managers play a vital role in creating assets for the organization in the form of quality manpower. Companies seeking to hire high-performers are turning to innovative processes to streamline hiring. There are many different ways to assess whether someone will be a good fit for the company, both as a high-performer and as a cultural fit. While not every innovative hiring process will be right for your team, you can learn from companies who have paved the way and provided data for the rest of us.

2. TRAINING AND DEVELOPMENT

Another challenge for HR managers is to put systems in place to make the people a perfect fit for the job. Talent redundancy has also become a major issue due to which HR departments provide related training programs. These trainings are quite useful also in terms of providing security to the employees (Chiamsiri, S., Bulusu, S. D. & Agarwal, M. (2005)).

You've taken the time to find employees you want to hire, but your responsibility to them is only just beginning. It is an HR best practice to invest in training and development opportunities to improve your current workforce, focus on skill-specific training, and realize the value that young workers place on learning. As industries are advancing at an ever-increasing pace, you can support and encourage your employees to grow as well, keeping them more engaged in their work and your organization.

3. TRANSPARENCY

A crucial HR practice is to always maintain transparency and be open with employees regarding the success and failures of the business. Organizations that foster an open environment of feedback and communication make employees feel trusted, respected, and valued. As an HR department, you should also avoid focusing on efficiency and cutting costs above all else, as this could actually be less effective in the long run. Instead, promote practices that create transparent environments and encourage information sharing.

4. EMPLOYEE BENEFITS

There are a myriad of benefits you can offer employees, but which ones provide the greatest value? The best benefit plans take a strategic approach to accomplishing company goals and retaining great employees as well as ensuring your employees understands their benefits. While Google's approach certainly isn't feasible for all companies, it is important to identify where you are losing money and why you might

be struggling with employee retention. If you want to hire and keep the best talent, you have to treat them like they're the best talent and show you value your employees.

5. EMPLOYEE INCENTIVES

Incentives have their pros and cons. For incentives to be effective, this HR best practice must be implemented in the correct manner, or you risk demotivating your employees instead of motivating them. Providing the right incentives shows employees that you care about them and the value they add to your company.

6. COMPENSATION

If you want great employees, you need to have great compensation plans in place. Above-average employees deserve above-average compensation, and you want to show your employees that you value them and the work they do. Whatever the compensation strategy of your company, it should be based on the productivity and contributions of the employees, and the managers in your organization should be prepared to communicate about it.

7. COMPLIANCE ISSUES

The best way to handle compliance issues is to avoid having them in the first place. That being said, it can be very difficult to juggle the complexities of compliance issues with the daily tasks of running other human resources practices in the workplace. Hiring, employee classification, and wage requirements all require constant attention to stay in compliance. You can stay one step ahead of any potential HR changes by utilising your point person and HR software.

8. TERMINATIONS

This is probably the toughest place to implement HR best practices because it will always be difficult for those involved. HR best practices include learning from employees who are terminating their employment as well as understanding which topics to be sensitive to for legal reasons. Issues that may warrant termination should always be addressed before they reach a boiling point. However, when it does come to terminating an employee, you shouldn't wait on the decision.

As you implement these HR practices, you may discover that employees who leave soon after being hired did not have a good indication of what the job entailed when they were hired, and you might consider revamping your hiring process.

18.4 PRIME OBJECTIVES OF HRD IN GOVERNMENT ORGANIZATIONS

According to K. M. Mathur, basic objectives of HRD in government administration systems are:

1. To equip the civil servant with precision and clarity in transaction of business;
2. To prepare the civil servant for new tasks that may be assigned to him or her in a changing world.

3. To develop resistance to the danger of becoming mechanised by visualising what he is doing in a wider setting and by persevering with his own educational development;
4. To develop his capacity for higher work and greater responsibility;
5. To develop and maintain staff morale particularly because large number of people has to deal with tasks' of a routine nature;

To achieve the main objective, the following sub-objectives were set:

- To assess practices regarding human resource planning and recruitment.
- To identify selection and socialization practices.
- To assess the practices regarding training.
- To assess practices of performance appraisal.
- To assess the compensation and benefits related practices.
- To identify the workforce diversity and contemporary HR practices being implemented.
- To assess the differences of perception of male and female employees regarding HR practices.

HRD in administration is an important part of macro-level human resource planning. An organization that does not plan for its human resources will often find that it is not meeting either its personnel requirements or its overall goals effectively.

18.5 ROLE OF HRD IN GOVERNMENT ORGANIZATIONS

HRD in government can be given two interpretations. The first can be that it refers to the HRD activities in the various ministries, departments and government agencies. The second interpretation is that it refers to the role of government at the macro environmental level; policies and conditions which affect HRD in various other organizations. For instance, the policies and directives of the government with respect to the employment and employment conditions of special sections of society, such as the backward classes, significantly impact HRD policies and practices at the micro organizational level.

The HRD manager is the principal evaluator of the impact of the HRD program on overall organizational efficiency. Within this sub role, the manager is responsible for the design, development, and implementation of program evaluations as well as cost/benefit programs. Each of these is used to determine the effects of learning on the employees and the organization. HRD managers are also responsible for the evaluation of career development programs and organizational development activities. The evaluation of the effectiveness of learning specialists, instructional designers, and consultants is another part of this sub-role. In summary, the HRD manager is accountable for the evaluation of all aspects of the HRD program, its results, its effectiveness, its impacts, and its practitioners.

A NEW APPROACH TO HRD SYSTEM IN GOVERNMENT

The following are some of the important conditions that need to be fulfilled:

1. The goals or objectives should be clearly stated and preferably in observable and measurable terms.
2. The activities or tasks required to be performed for achieving the goals should be exhaustively identified and listed.
3. Each person or employee should have a complete list of the activities he is expected to perform and should be motivated or committed to perform these activities.
4. Each person or employee should have the capabilities or competencies required to perform these activities. If he does not have them, he should be helped to acquire these competencies.
5. Periodically the list of activities, their appropriateness to achieve the goals, division or allocation of these activities to different members, competencies needed and the competencies existing in the employees should be reviewed and competency gaps should be identified.
6. Competencies should be developed in employees or people on a continuous basis to perform these activities, tasks and functions.

This role is often viewed as the primary role of a manager of HRD. It consists; the five basic elements of management: planning, organizing, staffing, controlling, and marketing. *(Source: Jerry Gillet and SetevenEgglend)*

18.6 HRD DEVELOPMENTS IN GOVERNMENT ORGANIZATIONS

HRD Developments in Government Industry has used HRD in an integrated form only recently. In Government, it is more so. Some important HRD developments in Government are given below.

- Initial attempts were made to improve organizationaleffectiveness in Government. Paul Appleby from the US Public Administration came and studied the Indian administration set up. One of his recommendations was the need to transform administration from a 'colonial' to a development-oriented one. However, not much was done to implement the recommendations.
- The Administrative Reforms Commission of 1967 emphasized the importance of better systems and training and development. This led to the setting up of an Administrative Reforms Cell, within the Home Ministry first. Three activities were strengthened among others, nomination of more officers for training within and outside the country, computerization of manpower data and more systematic postings for specialized assignments.
- The Indian Institutes of Management, Calcutta and Ahmedabad started in 1962. By the early seventies, Indian Administrative Service Recruits were given management training and management concepts were also brought into the training institutions of other public systems such as Income tax.
- Failures in implementation of plans, projects and programmes led to an awareness of HRD. In 1985, a formal Ministry for HRO was set up.

- With this new emphasis on HRD, ministers and secretaries of government departments were deputed to attend a variety of training and development programmes on management and HRD at reputed management institutes like the ASCI, the HM's, XLRI, Tata Management Training Centre, etc.

Human resource development is a newly emerging field of study. Although development of human beings has been in existence in some form or the other since the beginning of civilization, a planned and systemic approach to HRD in the corporate sector emerged in the latter half of the 20th century. In the past, training was the only planned way of developing human resources. But now HRD has emerged as an interdisciplinary and integrated approach to the development of human resources.

In the government organizational context, human resource development may be described as a continuous and planned process by which employees of an organization are helped to:

- a) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- b) Develop their general capabilities as individuals and discover and exploit their own inner potential for their own and/or organizational development purpose.
- c) Develop an organizational culture in which superior-subordinate relationships, teamwork and collaboration among subunits are strong and contribute to the professional well-being, motivation and pride of employees. Put simply, HRD also man's competence building, commitment building and culture building.

In the organization context, scope of HRD is not limited to the development of the organizational role of the employees but extends to the individual's inner feelings, genius and latent potentialities of those working in the organization.

18.7 HUMAN RESOURCE DEVELOPMENT CLIMATE

HR Development climate constitutes three variables viz.:

1. General Climate
2. HRD mechanisms
3. The OCTAPACE culture

18.7.1 GENERAL CLIMATE

- The general climate deals with the importance being given to human resource development in general by the top management in line managers. Such a supportive climate consists of not only top management and line management's commitment but good personnel policies and positive attitude towards development. HRD mechanisms include performance and potential feedback.
- HRD aims at the integrated growth of the employees by enabling them to know their strengths and weaknesses to improve their performance. It provides guidance through the bosses to the employees for better performance.

Organizations' HRM practices have been found to have a significant impact on organizational performance. Improving an organization's HRM practices could increase its market value. The term used to describe these practices that lead to such results is high-performance work practices.

18.7.2 HUMAN RESOURCE DEVELOPMENT MECHANISMS

Udai Pareek refers to performance appraisal, career advancement, career planning and training as dimensions of HRD. The following HRD mechanisms can help in enabling human resources for excellence performance:

1. **Performance Appraisal:** The process of performance appraisal determines how well an employee is performing his job. It provides a mechanism for identification of qualities and deficiencies observed in an employee in relation to his job performance. The objective of performance appraisal is to determine the present state of efficiency of a worker in order to establish the actual need for training.
2. **Potential Appraisal:** Potential appraisal provides necessary data which helps in preparing career plans for individuals. It aims at development of latent abilities of individuals. When an organization is diversifying its operations or introducing changes, capacities to perform new roles and responsibilities must continually be developed among employees.
3. **Feedback Counselling:** Feedback of performance data can be used to monitor individual development and for identifying training needs. Career counselling and verbal rewards are integral parts of review discussions between the subordinate and the superior.
4. **Training:** The success of any development programme depends on the quality of training facilities. Training is a process that involves the acquisition of skills, concepts and attitudes in order to increase the effectiveness of employees in doing particular jobs. Training is expected to provide the needful stimulus to initiate impulses of change in management and to improve efficiency, productivity and administrative effectiveness.
5. **Role Analysis:** Role analysis is a participatory process which aims at defining the work content of a role in relation to all those with whom the role occupant has significant interaction in the performance of his job. Jobs have to be analysed for proper planning of work which is necessary for improving efficiency and performance. This is known as job analysis.
6. **Career Planning:** Career planning means helping the employees to plan their career in terms of their capacities within the context of organizational needs. 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. It aims at generating among employees an awareness of their strengths and weaknesses and helping them to match their abilities to the needs of the organization.
7. **Job Rotation:** The work tasks should be related among the employees so as to broaden their field of specialization, as well as their knowledge about the

organization's operations as a whole. The work tasks therefore, should be rotated once a year among the various employees depending upon their qualifications and suitability to perform new roles.

8. **Quality Circles:** A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product quality problems and to improve general operation. The quality circles are relatively autonomous units usually led by a supervisor or a senior worker and organized as work units.
9. **Reward System:** Rewarding employee's performance over and above their normal wages and salaries is considered to be an important task of HRD. In any organization, the managers and workers have similar motivations, although the manager controls the means of achieving needed satisfaction at work and each employee seeks self-development to go as far as possible on his own ability.
10. **Organization Development:** Organization development is an organizationalwide, planned effort managed from the top, placing emphasis on making appropriate interventions in the on-going activities of the organization. It provides a normative framework within which changes in the climate and culture of the organization towards harnessing the human potential for realization of organizational objectives is brought out.
11. **Human Resource Planning:** This process aims at ensuring that the organization will have an adequate number of qualified persons, available at the proper time, performing jobs which would meet the needs of the organization and also provide satisfaction to the individuals involved. It is an endeavour to match demand and supply for various types of human skills in the organization.

18.7.3 OCTAPACE CULTURE

The term OCTAPACE has been coined to denote the characteristics of HRD climate which includes openness, confrontation, trust, autonomy, proactivity, authenticity, collaboration and experimentation.

1. Openness:

- i. Express freely and frankly
- ii. No reprisals for constructive upward communication
- iii. Relevant disclosure.

2. Confrontation:

- i. Not afraid to face problems, both own and forced
- ii. Voluntarily seek to handle problems (nip in the bud)
- iii. Problems not carpeted
- iv. Solve problems in a win-win style.

3. Trust:

- i. Trust in the organization context
- ii. Sense of assurance of other's timely help
- iii. Shared information not misused
- iv. Higher empathy.

4. Authenticity:

- i. Genuine interaction
- ii. Transparency.

5. Pro-action:

- i. Anticipate
- ii. Initiate action without prompting
- iii. No passing the buck
- iv. Reduce surprises.

6. Autonomy:

- i. Empowered
- ii. Accountable
- iii. Bonafide
- iv. Observe role boundary.

7. Collaboration:

- i. Mutual dependence
- ii. Cross functional working
- iii. "We" feeling
- iv. Team working
- v. Sharing resources for synergy.

8. Experimentation:

- i. Encourage to try within parameters
- ii. Tolerate bonafide mistakes
- iii. Encourage "Newness"
- iv. Share learning through experimentation.

A sound HRD system is perhaps the most important element in organizationaleffectiveness, which not only ensures smooth performance but also long-term survival and growth of the organization. Hence, human resources can become excellent performers by developing and motivating them.

18.8 SELECTED CASES COVERING HRD PRACTICES

18.8.1 HRD LONG CASE STUDY 1

Watson Public Ltd Company is well known for its welfare activities and employee-oriented schemes in the manufacturing industry for more than ten decades. The company employs more than 800 workers and 150 administrative staff and 80 management-level employees. The Top-level management views all the employees at the same level. This can be clearly understood by seeing the uniform of the company which is the Same for all starting from MD to floor level workers. The company has 2 different cafeterias at different places one near the plant for workers and others near the Administration building. Though the place is different the amenities, infrastructure and the food provided are of the same quality. In short, the company stands by the rule of **Employee Equality**.

The company has one registered trade union and the relationship between the union and the management is very cordial. The company has not lost a single man day due to strike. The company is not a paymaster in that industry. The compensation policy of that company, when compared to other similar companies, is very less. The employees don't have many grievances due to the other benefits provided by the company. However, in the recent past, the organization has had a slew of troubles obtaining materials. Problems like quality issues, mismatch in packing materials (placing material A in the box of material B) incorrect labeling of material, not dispatching the material on time, etc.

The management views the case as there are loopholes in the system of various departments and hands over the responsibility to the HR department to solve the issue. When the HR manager goes through the issues he realizes that the issues are not related to the system but it relates to the employees. When investigated he come to know that the reason behind the casual approach by employees in work is

- The company hired new employees for a higher-level post without considering the potential internal candidates.
- The newly hired employees are placed with higher packages than that of existing employees in the same cadre.

Question 1: Narrate the case with a suitable title for the case. Justify your title.

Solution 1: Employee Equality is not the need for every hour. In the above-said case, Watson Ltd had provided all facilities to employees at each grade in an equal manner. But still, the employees started creating certain issues like materials meeting the quality supply schedule is not met etc. and the HR manager said that the policy of hiring new employees for the higher post without considering old potential employees is the major problem.

"Employee Recognition vs. Employee Equality": As the HR manager states that employees have not been recognized for their potential, the company has gone for new recruitment. Because of which the company faces problems.

Question 2: The points raised by the HR manager as the reason for the latest issues in the organization are justifiable or not. Support your answer with Human resource related concepts.

Solution 2: Yes, the points raised by the HR manager are justifiable because "Human beings are social Animals as popularly" said by many Human resources Scholars. As a result, human minds expect social recognition, self-respect, consideration, and so on for their work and performance.

In the above-said case, even if the company provides and stands by the concept of employee equality, when it fails to recognize the potential talents of existing employees they feel dissatisfaction towards the organization and they show in the way of quality issues and slow down production.

Related HR concepts

Slow down Production: The concept of slow down production is a type of strike done by an employee. The Industrial Relations states that when the employee wants to show their dissatisfaction to the management but doesn't want to go for strike they follow a slow-down strike. The impact of which will be understood after a particular time period.

Employee Recognition: Human beings can be easily motivated by Rewards and recognition than that of money. In this case, also the employee is not satisfied even after all facilities just because of the reason that they are not recognized.

Hawthorne Experiment: In the four types of test conducted by Elton Mayo, the remarkable hike in production is recognized in the stage when they consulted the employees for the management decisions regarding them. The same thing was missing in Watson Ltd. Before the new hires if the management consulted the employees both management and employees would have avoided this issue.

Hygiene Factor: The theory of hygiene factors states that there are certain factors related to employees whose presence will not create a major impact but the absence of such things will lead to a de-motivation to the employees. Employee Recognition is one such factor when the management fails to do so it will have a significant impact on the staff.

Question 3: Help the organization to come out from this critical issue. What would you do first if you were in charge of human resources in this situation?

Solution 3: If I was in the post of the HR manager I would try to discuss the issue and ask for the reason from the management for new recruiting rather than considering available potential talents. I will personally analyse the reasons provided by management and if acceptable I will discuss the same with the employees. Everything is possible when a discussion is done. So I will discuss and convince the employee that this won't happen again in the organization. I will also initiate the collective bargaining process for reasonable salary hikes for the existing employees.

18.8.2 HRD SHORT CASE STUDIES

Total 9 Case Studies are as follows:

CASE STUDY 1: EMPLOYEE ABSENCE

1. **HR Issue:** An employee over time began not coming to work at all and was taking a lot of shortened days.
2. **The HR Manager** went to the employer's site to interview the team member who had been a good employee until the absences began, to understand what is going on, what has changed and how they feel about their role moving forward.
3. **Conclusion achieved:** It was discovered that a fellow employee was bullying in the workplace and the workers felt anxious and scared to attend work. The alleged bullying employee was investigated and subsequently terminated from the place of work. Employee now attends work regularly, no absenteeism issues.

CASE STUDY 2: OVERWHELMED BUSINESS OWNER POST COVID-19

1. **HR Issue:** Business owner overwhelmed post-COVID & unable to get clarity on future organizational structure.
The business owner became exhausted post COVID in 2020 and needed help defining the structure for the team to move forward. The HR Manager met with team members asking key questions about the business strategy & direction.

In doing so, we were able to understand the business strategy, and assess both skills and identify skill gaps required to move the business to the next level.

2. **Conclusion achieved:** We proposed an HR strategy for the following 12 to 24 months, with the first 12 months divided into quarters, each specifying the HR duties required at each stage to move forward fluidly.

CASE STUDY 3: TOO MANY DECISION MAKERS IN A FAMILY OWNED BUSINESS

1. **HR Issue:** There were some difficult key decisions to be made in succession planning in this family owned business.
2. **HR Manager's** went to the site to visit all of the team and identify key members of the business to be able to assist the Board with future state organizational charts and decisions on the management team structure.
3. **Conclusion achieved:** HR Manager managed a restructure of the business and ensured all position descriptions and areas of responsibility (decision making etc.) were up to date based on most suitable people in the business, assisted newly appointed GM on how to manage change moving forward with regular HR input onsite.

CASE STUDY 4: WORKPLACE BULLYING BY EMPLOYEE

1. **HR Issue:** Employee made threatening remarks to supervisor.

The employee had a history of being aggressive and threatening to both management and other employees and on this occasion had been challenged for incorrect timekeeping.

The Employer had not followed the proper process in investigating and determining the appropriate discipline for the employee in any of the previous instances of poor behaviour. The company did not have the HR documentation such as policies and procedures to support the discipline process.

The supervisor had made a police complaint and was reluctant to supervise the employee.

- 2. The risk and liability potential:** The employer may be unable to dismiss and to do so could result in a significant award in favour of the employee. Including the possibility of the employee returning to the workplace. The alternative is that the person stays at work, creating a dysfunctional environment that is difficult to govern and manage.
- 3. Conclusion achieved:** We supported the employer to implement an immediate exit strategy for the employee in consultation with the employee's representative. This resulted in a risk-free process that provided for an immediate solution freeing up managers and supervisors to focus on productive activities.

CASE STUDY 5: TEAM COMMUNICATION

- 1. The client's problem:** Management felt morale was low throughout the business and wanted to understand why.
- 2. HR Manager's solution:** HR Manager undertook one-to-one interviews with all team members to gain an understanding of their feedback, engagement, satisfaction, and internal areas for improvement.
- 3. The Conclusion:** Feedback was provided to management (without disclosing employees' names) with a report outlining prioritized suggestions for improving morale across the business. Six months later, morale was a lot higher. Staff felt management listened to their feedback and that having a third party involved has improved communication channels.

CASE STUDY 6: RESTRAINT OF TRADE

- 1. The client's problem:** One of the key team members left and went to the competition, taking clients and staff with them.
- 2. HR Manager's solution:** We assessed what risk minimization tools were in place and found there was nothing in place to protect the employer and nothing to deter any employees doing this again in the future.
- 3. Conclusion:** HR Manager setup the necessary tools for the business and undertook an entire review of their HR documentation. Since doing this we found there were a number of grey areas and loopholes employees could take advantage of and we have now eliminated them. The client has minimized all possible risk of this happening to them again.

CASE STUDY 7: BUSINESS PROCESS MANAGEMENT FOR HR COMPLIANCE

1. **The client's problem:** The business owner did not have adequate clauses in employment agreements or HR documentation in place to ensure a thorough process was followed that was legally compliant.
2. **HR Manager's solution:** HR Manager undertook a review of all of their documentation and systems and found it was out of date and not suitable based on the growth of the business
3. **Conclusion:** All new HR documentation was put into place ensuring that all recruitment and onboarding was thorough, legally compliant and that there was a paper trail in place to protect the business.
Staffs are now more engaged and more productive because their employment agreements are detailed and they know what's expected of them.

CASE STUDY 8: KPIs FOR SALES GROWTH

1. **The client's problem:** The seven-person sales team was not performing and the business was losing money. The team had become complacent and lacked energy and drive.
2. **HR Manager's solution:** HR Manager spoke to the Sales Manager about reporting documentation and processes in place; how often meetings were being held (team and one-to-one sales meetings); what training was in place; and what sales results incentives were in place.

We found out there were no clear KPIs (Key Performance Indicators) in place and no weekly activity reports being completed by the team members to hand to the Sales Manager. The team didn't know what the focus for the quarter was and felt that no one was available to catch up with them regularly as Management were so busy.

We put in place:

- KPIs based on the annual sales targets
 - Weekly sales team meetings
 - One-to-one sales meeting with each of the team members
 - Weekly activity documentation
 - Reports from the CRM system that was easy to follow and measure
 - Team and individual incentives.
3. **Conclusion:** The team is now motivated, focused, accountable, and driven to reach sales targets.

CASE STUDY 9: TEAM MORALE PROBLEM

1. **The client's problem:** Staff retention was low, morale was down and communication was inconsistent. The HR Manager approached HR Manager to undertake a confidential survey of its 150+ employees.

2. **HR Manager's solution:** After meeting with the Management team and understanding what their concerns were for the team, we created an online employee engagement survey which was distributed to each member of staff and Management. Feedback was received in an anonymous manner, which we were then able to communicate back to Management.
3. **Conclusion:** Solutions were provided to the client on various areas of concern and 6-monthly surveys are now scheduled until the organization reaches a higher engagement rate. The Management team meets with the HR Manager every quarter so we can track their progress and provide solutions on an on-going basis, to continually increase employee performance.

18.9 SUMMARY

On the whole, the study reveals that the top management has a strong perception about the importance of its human resources that the organization cannot grow without the development of the people working in it and therefore, it is committed to invest its resources for their development. Secondly, in these organizations „good“ HRD climate exists. However, there is still a good scope for improvement as indicated earlier. The changing paradigms in HR need to be incorporated for better development of the HR and the organization. New concepts are to be practiced and new policies need to be framed for further growth of the organization.

HRD has a strategic role to play in government. The contextual and historical conditions affecting government systems give the HRD function in government a difficult and complex role to play. HRD has to provide for the development of administrators and personnel in turn have to look after key developmental activities in the country. Hitherto, HRD in government has been confirmed to have limited training activities, job rotation, selection, manpower forecasting, and maintaining of a personnel data bank. A new approach towards www.ijellh.com 60 developing an integrated HRD system in government administration is called for. The main components of such a system are suggested to be activity, task or role analysis, identification of critical job attributes, performance appraisal, potential development, training, and organization development.

Human Resource Development is based on the concept that every human being has some potential to do remarkable things. If an organization has to be effective then the task of an executive is to multiply the performance capacity of the staff by putting available natural resources, like strength, health, aspirations, etc. The fast changing environment necessitates an organization to have a sound business policy. Absence of such a policy sometimes threatens the very survival of the organization, let alone the problem of maintaining its position in the industry/economy.

However, the need to have a strong workforce (in terms of quality of input and job performance) in the organization may not be overemphasized, since the mere presence of a sound policy would not do any wonders. The policy has to be implemented realistically and whenever necessary, it needs to be modified to make it more relevant and objective.

18.10 SELF-ASSESSMENT QUESTIONS

- Q-1. What are the HRD practices in government organizations? Explain.
- Q-2. What are the differences between HR practices and HR activities?
- Q-3. What are the best HR practices? Explain.
- Q-4. Elaborate prime objectives of HRD in government organizations.
- Q-5. Discuss the role of HRD in government organizations.
- Q-6. Explain the HRD developments in government organizations.
- Q-7. Describe the human resource development climate in India.
- Q-8. What is the general climate? Explain.
- Q-9. What do you understand about human resource development mechanisms? Explain.
- Q-10. What is OCTAPACE culture? Explain.
- Q-11. Explain HRD practices with supporting long case study.
- Q-12. Discuss various HRD short case studies.

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UNIT 19: HRD PRACTICES OF MANUFACTURING AND SERVICE INDUSTRIES

UNIT FRAMEWORK

- 19.1 Objectives
- 19.2 Introduction
- 19.3 HRD Practices
- 19.4 HRD Practices of Manufacturing Industries
- 19.5 HRD Practices of Service Industries
- 19.6 Importance and Role OF HRD in the Service Sector
- 19.7 HRD in Tourism Sector
- 19.8 HRD Practices of MNCS
- 19.9 Summary
- 19.10 Self-Assessment Questions
- 19.11 Text and References

19.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the Human Resource Development Practices
- To determine the HRD Practices of Manufacturing Industries
- To elaborate HRD Practices of Service Industries
- To explore the Importance and Role of HRD in the Service Sector
- To explain the HRD in Tourism Sector and HRD Practices of MNCs

19.2 INTRODUCTION

The Indian markets were also opened for foreign companies and investors resulting in more and more privatization and turned India into a more capitalized form of economy. The liberalization, privatization and globalization policy of 1991 opened up new horizons and new opportunities for Indian business. Globalization is about the creation of a borderless global economy that allows unhindered movement of finance, products, services, information, and people. This has resulted in changes in forms of how many organizations are structured, how they are managed, how they conduct their operations, and how they plan for the future? Inevitably globalization is having a huge impact on the role, nature, and purpose of HRD in organizations of all sizes and sectors across the world. When referring to the practice of HRD it is important to understand that this involves several stakeholders, in particular the HRD practitioner,

the line manager, are the learner at the operational level, and the HRD practitioner and senior manager at a strategic level.

Tourism also offers many opportunities for low level qualification workers to enter the labour market; it thus contributes to improving the overall situation and flexibility of the labour market. The development of human resources in tourism is however subject to a number of obstacles. Recruiting and retaining a qualified workforce remains a challenging task for many large and small enterprises due to the characteristics of the tourism labour market (seasonality, working conditions, and high segmentation of the sector). Many of the tourism enterprises are not investing enough in human resources training and development. The high variability of tourism demand and the increasing competition among destinations drive more and more todual or segmented labour markets, one with core staff looking for careers in tourism and the other one with casual workers.

19.3 HRD PRACTICES

Best practices are a set of Human Resources Management processes and actions that work universally. In HRM research, there are two schools of thought on how to manage people. The first one is the best fit, the second is best practices.

- The best fit school states that to add value, human resource policies should align with business strategy. This means that HR should focus on both the needs of the organization and the ones of its employees.
- The best practice school argues that there is a set of universal HR processes that lead to superior business performance. According to its proponents, there are certain bundles of HR activities that support companies in reaching a competitive advantage regardless of the organizational setting or industry (Redman & Wilkinson, 2009).

They ignore the lengthy scientific discussion over the benefits and drawbacks of each technique. With these kinds of discussions, the truth often lies somewhere in the middle. This means that the HR strategy and subsequent HR activities should be aligned with the organization's strategy for optimum efficiency (a.k.a. strive for best fit). In literature, this alignment has also been referred to as Strategic Human Resource Management.

At the same time, there are a large number of best practices that have shown to lead to superior performance for the organization. If HR executes these practices correctly, they will add substantial value to the business and its goals (a.k.a. implement best practices). These best practices are applied to different HR functions such as performance management and learning and development.

19.3.1 BEST PRACTICES OF HRD

The 7 Human Resource best practices presented below have been proposed by Jeffrey Pfeffer. Pfeffer wrote two books on this topic:

- *Competitive Advantage through People* (1994), and

- *The Human Equation: Building Profits by Putting People First (1998)*

In these books, he proposes a set of best practices that can increase a company's profit. When these HR principles are combined (or bundled), their impact is even more profound. These best practices are:

1. Providing security to employees
2. Selective hiring: Hiring the right people
3. Self-managed and effective teams
4. Fair and performance-based compensation
5. Training in relevant skills
6. Creating a flat and egalitarian organization
7. Making information easily accessible to those who need it

All the above are already discussed in previous Unit 18. So there's no need to go into detail.

19.4 HRD PRACTICES OF MANUFACTURING INDUSTRIES

Manufacturing is the use of machines, tools and labour to produce goods for use or sale. The term may refer to a range of human activity, from handicraft to high tech, but is most commonly applied to industrial production, in which raw materials are transformed into finished goods on a large scale. Such finished goods may be used for manufacturing other, more complex products, such as aircraft, household appliances or automobiles, or sold to wholesalers, who in turn sell them to retailers, who then sell them to end users that are the "consumers".

Modern manufacturing includes all intermediate processes required for the production and integration of a product's components. Some industries, such as semiconductor and steel manufacturers use the term fabrication instead.

The **manufacturing industries** are closely connected with engineering and industrial design. Examples of major manufacturers in North America include General Motors Corporation, General Electric, and Pfizer. Examples in Europe include Volkswagen Group, Siemens, and Michelin. Examples in Asia include Toyota, Samsung, Tata and Bridgestone.

19.4.1 MANUFACTURING CATEGORIES

Various categories that then be considered in the manufacturing industries are: *Chemical Industry; Pharmaceuticals; Construction Aerospace Manufacturing; Tyres; Automobiles; Electronics; Engineering; Energy; Industrial Designing; Metal working; Textile; Telecommunications; Plastics; Jewellery; Metal casting; Food and beverages*, etc. All these industries have requirements for employees with some specific skill set. Also different departments would also have different skill

requirements. The HR function is to take care of all the aspects possible that might affect the employees.

Human resource management in these industries involves several processes. Together they are supposed to achieve the above mentioned goal. These processes can be performed in an HR department, but some tasks can also be outsourced or performed by line-managers or other departments. When effectively integrated they provide significant economic benefit to the company.

- Induction, Orientation and On-boarding
- Skills management
- Training and development
- Personnel administration
- Workforce planning
- Recruitment (sometimes separated into attraction and selection)
- Employee benefits administration
- Personnel cost planning
- Performance appraisal
- Labour relations
- Compensation in wage or salary
- Time management
- Travel management (sometimes assigned to accounting rather than HRD)
- Payroll (sometimes assigned to accounting rather than HRD)

We will now discuss some of the above mentioned categories and the HR practices followed in one of the well-known organizations in that category.

19.4.2 CHEMICAL INDUSTRY

The chemical industry comprises the companies that produce industrial chemicals. It is central to the modern world economy, converting raw materials (oil, natural gas, air, water, metals and minerals) into more than 70,000 different products.

The largest corporate producers worldwide, with plants in numerous countries, are BASF, Dow, Degussa, Eastman Chemical Company, Shell, Bayer, INEOS, ExxonMobil, DuPont, SABIC, Braskem and Mitsubishi, along with thousands of smaller firms.

Du Pont

DuPont is an American chemical company that was established in July 1802 as a gunpowder mill by EleuthèreIrénée du Pont. DuPont is currently the world's second largest chemical company (behind BASF) in terms of market capitalization and fourth (behind BASF, Dow Chemical and Ineos) in revenue. Its stock price is a component of the Dow Jones Industrial Average.

A) HR Practices at Du Pont

Du Pont encourages its employees to balance their work and personal responsibilities, through programs like the following:

1. **Family Leave:** When you need time off to meet changing family responsibilities and respond to different life events, Family Leave provides options and allows you time away from work without hurting your career or your benefits coverage. Family Leave is available to all full-service employees for maternity, paternity, adoption, or placement of a foster child, or to deal with the serious illness of a parent, spouse or child. This unpaid leave of absence is in addition to paid time off for disability or vacation. Benefits continue at the same level as they were prior to the leave, and there is an option to earn credit for part-time work with service. A commitment to return employees to the same or similar job of comparable pay and status is part of this program.
2. **Guidance Resources:** Guidance Resources helps you manage your work/life responsibilities with practical advice, useful materials and local referrals. You can obtain personalized and confidential consultation with experienced counsellors on topics such as: parenting; education information and college planning; caring for adults, parents and older relatives; Caring for yourself; and career planning etc.
3. **Flexible Work Practices:** Flexible Work Practices were created to help businesses and employees better balance their requirements. We encourage the use of Flexible Work Practices because they can help employees juggle their personal obligations while managers try to seek creative and productive means of meeting business needs. With the help of your immediate supervisor, a variety of options can be assessed.
4. **Dependent Care Spending Accounts (DCSA):** Pretax earnings can be used to pay for daycare through spending accounts. This benefit can be selected once years by selecting the DCSA option during the annual BeneFlex change period.
5. **"Just in Time Care":** "Just in Time Care" is currently available at selected sites. This emergency/ backup service links employees to a variety of dependent care options such as in-home dependent care, drop-in center-based care for children and elders; work-site or near-site school holiday and snow day care; and center-based sick care.
6. **Adoption Assistance:** This program is designed to assist employees with the expenses incurred when they legally adopt a child. Covered expenses include agency fees, legal fees, court costs, temporary foster care before placement of the child, medical expenses of the birth mother and medical expenses of the child.

B) Training and Development

1. Learning is a continual process in DuPont. As your career progresses, there are opportunities to enhance your professional and personal skills. A formal process, known as Targeted Development, helps you and your supervisor in planning your development to meet both business and personal goals.

2. DuPont recognizes the effectiveness of experiential learning and values "on-the-job" training as a primary means of development. The company's collaboration with many leading universities, research institutions, companies, and industry & professional organizations also often present unique developmental experiences.
3. Formal training is another important avenue for gaining new skills. Each business within the company has ongoing training programs that are designed specifically to maximize the performance of its employees in meeting business objectives. The DuPont University taps on the expertise of external training providers and the company's own functional experts to offer a wide range of courses in areas such as Leadership & Management, Sales & Marketing, Finance, Manufacturing, Human Resources, Information Technology, Personal Skills, and Safety & Health.
4. Other development opportunities include training sessions and seminars presented by industry or professional organizations. DuPont also offers a program that provides financial assistance to employees pursuing courses at academic institutions.

19.4.3 PHARMACEUTICAL

The pharmaceutical industry develops, produces, and markets drugs licensed for use as medications. Pharmaceutical companies can deal in generic and/or brand medications. They are subject to a variety of laws and regulations regarding the patenting, testing and marketing of drugs. Some of the top pharmaceutical companies are:- Novartis; GlaxoSmithKline; Johnsons & Johnsons; Pfizer; Sanofi-Aventis; AstraZeneca; Bristol-Myers Squibb; BoehringerIngelheim; Hoffmann-La Roche; Daiichi Sankyo; Novo Nordisk; and Procter & Gamble etc.

GlaxoSmithKline

GlaxoSmithKline PLC, often abbreviated to **GSK**, is a global pharmaceutical, biologics, vaccines and consumer healthcare company headquartered in London, United Kingdom. It is the world's third largest pharmaceutical company measured by revenues (after Johnson & Johnson and Pfizer). It has a portfolio of products for major disease areas including asthma, cancer, virus control, infections, mental health, diabetes and digestive conditions. It also has a large consumer healthcare division which produces and markets oral healthcare products, nutritional drinks and over-the-counter medicines, including Sensodyne, Horlicks and Gaviscon.

A) HR Practices at GSK

Here are a few of the ways GSK works with its employees to help them achieve their full potential, although not all of these initiatives are available in every country in which GSK operates.

1. **The GSK Experience:** Career development starts on the first day. This includes career and personal development planning and "The GSK Experience", an interactive, global induction programme they provide in the UK and US.

2. **Performance and Development Planning:** Employees at various phases of their careers can benefit from their worldwide Performance and Development Planning process (PDP). PDP is an effective tool for tying personal accomplishment to corporate success. Throughout the year, both the employees and their manager will work together on this process to set challenging objectives and identify career development needs.
3. **Career Innovation Zone:** Career Innovation Zone is an online resource that employees can access freely at any time from work or home. It offers a wealth of interactive tools and tips to help them work out the potential career directions and choices that would be right for them.
4. **My Learning:** Employees will also have access to my Learning, its online course catalogue. My Learning allows employees to work with their manager to create a customized learning plan and to take advantage of the wide variety of instructor-led and eLearning courses, including a number of customized Leadership Development offerings.
5. **Coaching and feedback:** GSK fosters a culture of ongoing coaching and feedback for all employees. A variety of formal and informal resources are available to help employees, including a 360-degree feedback process and external coaching. Employees will also be encouraged to take part in either a formal or informal mentoring relationship.
6. **On-the-job development:** On-the-job development is part of the way GSK works. Opportunities for "stretch" assignments, secondments, and access to their cross business job posting database are a few of the resources available to employees.

B) Work-life Balance

GSK wants all their people to be able to do their best work. And want them to do it in a way that meets not only the needs of the business but their own personal needs as well. That's why they take flexible working so seriously. The approach is to support flexible working arrangements wherever they can make life better for their employees, while ensuring business needs are met. The Flexible Working Policy, which applies to all their staff, covers a variety of working patterns, including home working, part-time working, annualized hours and term-time working. Of course, these kinds of flexible working options are particularly attractive to parents and care-givers. But reduced or redistributed hours or home working arrangements can also support people's religious observances, civic duties and further education commitments, along with a whole host of other interests and responsibilities outside the workplace.

19.4.4 STEEL INDUSTRY

Steel, the recycled material, is one of the top products in the manufacturing sector of the world. The Asian countries have their respective dominance in the production of steel all over the world. India being one among the fastest growing economies of the world has been considered as one of the potential global steel hubs internationally. Over the years, particularly after the adoption of liberalization policies all over the world, the World steel industry is growing very fast.

Steel Industry is a booming industry in the whole world. The increasing demand for it was mainly generated by the development projects that have been going on along the world, especially the infrastructural works and real-estate projects that have been on the boom around the developing countries. The Steel Industry was till recently dominated by the United States of America but this scenario is changing at a rapid pace with the Indian steel companies on an acquisition spree.

TATA STEEL

Tata Steel formerly known as **TISCO** and **Tata Iron and Steel Company Limited** is the world's seventh largest steel company, with an annual crude steel capacity of 31 million tonnes. It is the largest private sector steel company in India in terms of domestic production. Ranked 258th on Fortune Global 500, it is based in Jamshedpur, Jharkhand, India. It is part of the Tata Group of companies. Tata Steel is also India's second-largest and second-most profitable company in the private sector with consolidated revenues of rs. 132,110 crore (US\$29.72 billion) and net profit of over rs.12,350 crore (US\$2.78 billion) during the year ended March 31, 2008.

Its main plant is located in Jamshedpur, Jharkhand, with its recent acquisitions; the company has become a multinational with operations in various countries. The Jamshedpur plant contains the DCS supplied by Honeywell. The registered office of Tata Steel is in Mumbai. The company was also recognized as the world's best steel producer by World Steel Dynamics in 2005. The company is listed on Bombay Stock Exchange and National Stock Exchange of India, and employs about 82,700 people (as of 2007).

A) HR Practices in TATA Steel

At Tata Steel, there is a continuous effort of staying in touch with employees to ensure that there is the right culture to engage them in consistent performance improvement. There are well-established and effective arrangements at each business location for transparent communication and consultation with Works Councils and Trade Union representatives. Further, the Company has always registered steady quality improvement and productivity enhancement through dedicated efforts of the Company's Performance Improvement teams, focused on technical best practice transfer and the value of knowledge networks. Towards the well-being of employees Tata Steel has put into practice many initiatives, events and programmes that have helped to create not only an enduring loyalty amongst employees but also enabled them to have a more fulfilled life.

B) Special Benefits provided for Employees

- **Medical facilities:** Free medical facilities for employees and their family, which continues even after retirement.
- **Housing facilities:** Subsidised electricity, water and housing facilities to all employees.
- **Higher studies:** Monetary incentives to employees acquiring higher qualifications in a related field along with study leave, scholarships etc. when necessary.

- **Holiday Homes:** Tata Steel has five holiday homes for the benefit of employees during vacation.
- **Tata Steel Officers' Beach Club:** All officers of Tata Steel are eligible to be members of the Beach Club that offers holidays in elite hospitality chains.
- **Family Benefit Scheme:** In the tragic case of a fatality in the Works, a monthly pension equal to the amount of the last drawn salary of the deceased is given to the legal heir until the time the deceased would have attained the age of 60.

C) Developing People

Valuing its people as a great asset, Tata Steel is committed to their development, both in order to benefit the individual and to benefit the Company through increased knowledge and skills. In order to leverage maximum potential of human resource to achieve business objectives the Company recognises that enrichment of people will help retain a motivated workforce in a competitive environment.

- **Skills Development - Non-officers:** Skill training is a process that begins at the time of an employee joining the company and continues throughout his or her career. Employees work in clusters of multi-skilled workers and move across and within clusters on improving their skills levels. The Technical Training Institute imparts vocational and basic skills training; the departments impart on-the-job training. In order to promote self-directed learning, the Company has introduced e-learning whereby employees can access electronic courses from their departmental e-Learning centres.
- **Skills Development – Officers:** Tata Steel Management Development Centre conducts a number of managerial and functional competency based programmes for officers and supervisors. The objectives of these programmes are:
 1. To build individual capability by enhancing managerial and functional competencies which are critical to operations, service and support functions.
 2. To build a leadership pipeline in the organization to prepare the people to meet the challenges of growth, globalisation and change.

D) Equal Opportunities Practices

Tata Steel is an equal opportunity employer and does not discriminate on the basis of race, caste, religion, colour, ancestry, marital status, sex, age or nationality. The Company's Affirmative Action Policy promotes equal access to its employment and opportunities and all decisions are merit based. Respect for equal opportunities as set out in the Tata Code of Conduct is followed. The HR Policy and Affirmative Action Policy are monitored by the Ethics Counsellor and supported by an effective grievance redressal mechanism. Tata Steel encourages female employees to advance their career with initiatives dedicated towards personal development and professional advancement. The Women Empowerment Cell examines and addresses the issues and concerns of female employees and ensures that they do not miss out on any growth opportunity.

E) Freedom of association and collective bargaining

Tata Steel respects the employees' right to exercise freedom of association and collective bargaining and provides appropriate support for this. There is an established system of joint working and collective bargaining, which ensures that every employee is able to exercise this right without any fear. Pioneering the concept in India, a system of Joint Consultation has been in place in Tata Steel for more than 50 years.

19.5 HRD PRACTICES OF SERVICE INDUSTRIES

The service sector has a crucial economic role to play in society. Services create value by providing a bridge between the producers of goods and the beneficiaries, or between the production and consumption segments of society. This is why the growth of the service sector in modern society is linked with the increased productivity of the manufacturing sector. The value which the service sector provides consumers may be private benefits which are paid for or they may be public benefits which are free or subsidized, like, health, education, information, etc.

A major characteristic of modern socio-economic development has been the increasingly dominant role of the service sector. As an economy develops, the relative contribution of the primary and secondary sectors to the total economy decreases, whereas that of the service sector increases.

India's service offerings have grown in both scope and depth. For example, in financial services, we have gone far beyond deposit banking and life assurance. We now have hire purchase and leasing. Banks are entering into project lending, merchant banking, foreign exchange, etc. Various personal and business risks can be insured. In the tourism industry, there has been an increase in a variety of services. Health services include government hospitals, community health centres, private clinics, etc. One of the fastest growing service sectors in India has been the tourism sector.

Within the service sector there is a need to develop the service culture. It is here that the concept of customer care becomes extremely relevant. The changing business environment (both external and internal) forced many companies to review their relationship with customers and here according to Warren Blanding (Editor Customer Service Newsletter), Customer service has become a strategic tool which is regarded as a positive force for increasing sales. More emphasis on customer care and service leads to focus on service excellence and all these can be achieved only when there is a service attitude in the personnel handling service operations. This naturally leads to the issue of the importance and role of HRD in the service sector.

19.6 IMPORTANCE AND ROLE OF HRD IN THE SERVICE SECTOR

Unlike goods manufactured in the agricultural and industrial sectors, a service is intangible and perishable in the sense that it cannot be stored for future consumption. This implies that the service organizations are responsible not only for producing products but also for immediately transmitting, i.e., providing these to the consumer.

In other words, in the service sector the production and delivery of goods are carried out simultaneously. The consumer, therefore, is an integral part of the whole service delivery system. The services of a doctor or teacher involve the patient or student as a consumer. The services of a tourist guide will require a tourist, the consumer. Unlike a product there is no lead time in the production and consumption of services. The customer does not possess any tangible product while buying the services and value received may also vary from customer to customer. Unlike a bad product a bad service cannot be replaced at best one can be sensitive to customer dissatisfaction and recover the situation with such remarkably good service that the customer may both forgive and forget the bad service just received. In fact all these characteristics of the service industry have important implications for the kind of human resources and human competencies required for the service sector. When compared with the secondary or industrial sector, the service sector may be less labour intensive but probably requires more human related skills and competencies. While technology has advanced considerably, the technical and operational skills which characterized earlier agrarian or industrial societies, have given way to an emphasis on human and managerial competencies at the macroeconomic level as well as at the organizational level.

The service sector organizations also play a very important social role. By extending benefits to people of all social and economic segments, provide opportunities for development and for reduction of socio-economic disparities. They enable the weaker sections to have access to the benefits of modernization. By providing common service to all sectors they reduce social and psychological distances. For instances, government services, such as, administration and judicial services are available to all without discrimination. The professionalization of the service industry has made services, such as, hospital, travel agent, hotel, legal aid, rehabilitation, etc., available to all those who can pay the prescribed fee regardless of social background. Thus, as M.B. Athreya points out, the services themselves have an HRD effect first by developing individuals and deprived groups, and secondly by gradually changing societal culture towards a more egalitarian, democratic direction. We have mentioned earlier customer care and service quality as two unique aspects. These along with some other special features call for particular emphasis in the design and implementation of HRD systems. These are:

i) Intangibility of product: Service is the provision of value to a customer, without a physical product. This could create lack of clarity about the tasks and erosion of self-confidence. So HRD has to create appreciation of client needs, and pride in the potency of the service to meet those needs.

ii) High public exposure: The service industry is much more exposed to its clientele. Even if the industry does not proactively promote its service, the clients may take the initiative and beat at its doors. The staff needs relationship skills and tolerance of customer reactions. In the case of subsidized free services, some customers may be arrogant in their demands and misuse the service, while some others may be less literate, gullible and timid.

iii) Size constraints: To be effective, the service industry should not be perceived as a huge, slow, monolith, in the face of which the customer is anonymous and

insignificant. Conceptualization of roles is especially important. The roles at the environment/customer interface need to be so designed, as to enhance service. Examples are the bank teller and the single window clearance concept used by some organizations recently or the concept of Front Office staff and Guest Relation Executives (GREs) in the hotels.

iv) Back-room technology: At the customer end, a service has to be simple to understand. For example, air travel should be made easy, but behind it may be complex aeronautics and computerized, real-time reservation systems. HRD has to ensure that those at the delivery end of a service industry understand the power and limitations of this back-up technology, while at the same time the technicians understand customer needs, abilities and limitations.

v) Specialised knowledge: The level of general and specialised education tends to be relatively high in a service industry. Infact, a service industry like a consultancy has to be intellectually a few steps ahead of its clients to be of real value to them. So, a research and learning orientation is needed. The service industry tends to have a preponderance of white collar workers and executive manpower. Their motivation is more complex. Besides monetary rewards, they, many a times, also look for ego satisfaction, quality of work and also glamour and fame.

vi) Propensity for disintegration: Service industry seems to have a higher tendency to disintegrate. Depending upon personal ambitions, bruised egos, inequity, etc., rebel groups break away from the mother organization and form new ones. For example, many smaller tour companies are opening up from a mother tour organization leading to a dent in the mother organization's clientele.

19.7 HRD IN TOURISM SECTOR

Tourism is a sector requiring a lot of HRPD (Human Resource Planning and Development). Both the Government of India and the business sector in India are looking at the development of human resources in the tourism sector to meet the sector's needs. Over the years the Government has introduced many ambitious projects for the tourism industry like introducing Visit India Year and giving Tourism the status of Industry. Efforts are on for HRP and HRD in all the constituents of the tourism industry. Examples:

1) Transport Sector

- **Airlines:** pilots, cabin crew, ground operations, front office, etc. (intensive training)
- **Road Transport:** drivers, supervisors, workshop mechanics (intensive training)
- **Rail:** customer care orientation programmes for railway personnel.
- **Water:** regional requirements for training for water cruises, etc.

2) Accommodation Sector

- House Keepers, Waiters, Front Office Staff, etc. (training in institutes)
- Finance, Public Relations, Marketing, etc. (Management Development Programmes)

3) Tour Operations Sector

- Escorts, Guides, Tour Planners, etc. (on the job training and retraining)

The Government of India has opened up a few vocational colleges and institutes to cater to the development of human resources specifically for the tourism sector. For example, the National Council of Hotel Management and Catering Technology runs institutes for hotel management and food craft training. The manpower development usually deals with the following areas:

- 1) Special skill development and training sessions and workshops are organized to develop managerial and entrepreneurial skills. Management courses are run by both Government and private sector to impart the necessary skills.
- 2) Tourism sector, like other sectors, employs both skilled and unskilled labourers and workers. Special packages are developed to impart short term vocational courses so that they can adapt and work in a fast and unpredictable environment. The skills are more to deal with clients and their various needs.
- 3) Many agencies in the private sector impart training to mould the employees according to their own needs and requirements. For example, a particular group of hotels selects employees usually from high school itself and then train the young fresher's according to their specific job but they also take in their organizations both fresher's and experienced personnel's from IHM and other hotel management institutes.
- 4) HRD planners have to keep in mind the responsibility of developing both semi-skilled and skilled personnel's, such as drivers, guides, escorts, entertainers, mechanics, stewards, pilots, computer operators, operations handling executives and so on. Just dealing with managerial training does not help any industry as proper plans have to be manifested to train and develop the subordinates.

Proper planning and development provides best results when they are put in practice side by side. The HRD planner of an organization in tourism should always remember that:

- 1) Tourism is the service industry sector which has maximum human interaction. The skills taught should be more to do with the dealing of human nature and behaviour and less of the technical type for those who are directly dealing with the clients. Even the technical staff should have some knowledge of dealing with the clients,
- 2) The subordinates of today are the managers of tomorrow. Some autonomy has to be accorded to them to handle the day to day working. The decision making capabilities have to be developed so that they are more decisive and confident,
- 3) The managers are not only to look at the profit making of the company but also to check the working of the subordinates. The work atmosphere has to be handled accordingly so that a congenial atmosphere exists and the employees work productively,
- 4) The supervisors and managers also have to check the career development, counselling, performance monitoring and appraisal of the subordinates. The regular update of employees is required so as to decipher their work pattern and productivity. A supervisor should be adept to handle all these and more.

- 5) That all the employees are human beings and concern should be shown to their well beings both psychological and physical.

HRD is the most crucial aspect of every organization, and while many organizations have it, others do not. A comprehensive plan has to be made to see to the manpower requirement and development in the tourism sector at micro as well as macro levels. Training local youth would fulfill the objectives of local's participation in tourism planning and development.

19.8 HRD PRACTICES OF MNCS

19.8.1 Globalization and HR

Globalization has made it possible for companies of all sizes to reach customers on a worldwide scale with their products and services. But it has also made it necessary for businesses to ensure that their human resources practices evolve in order to recruit, train, supervise and retain the best workers. Companies have had to find a balance between maintaining consistent corporate cultures and addressing cultural, language and other differences among markets.

19.8.2 Globalization and HRD

Internationalization of the business not only influences the labour markets and staffing requirements but also HR practices. Multi domestic operations (MDOs), Joint Ventures (JVs) and Strategic Alliance (SA) are common forms of business structures across regions. Changes in organizational structures, relationships with overseas operations, state of the art communications technology and global market now demand different HR approaches for managing MNCs. Globalization of business has probably touched the HR managers more severely than any other functional heads. The HR executive needs to give international orientation to whatever he or she does like employee hiring, training and development, performance review, remuneration, motivation, welfare, or industrial relations.

International orientation assumes greater relevance as business gets increasingly interlinked across nations. Since an international business must procure, motivate, retain, and effectively utilize services of people both at the corporate level and at the foreign locations, therefore, the process of procuring, allocating and effectively utilizing human resources' skill, knowledge, ideas, plan and perspective corresponding to TQM is called **International Human Resource Management**.

19.8.3 Dimensions of Globalised HRM

According to P.V. Morgan: Global HRD is the interplay among 3 dimensions:

1. **Broad HR activities**— procurement, allocation and utilization of human resources cover all the six activities of domestic HRM i.e., HR planning, Employees Hiring, Training and Development, Remuneration, Performance Management and Industrial Relations.
2. The three types of employees of an international business are –

- Parent Country Nationals (PCNs) ,
 - Host Country Nationals (HCNs) and
 - Third Country Nationals (TCNs).
3. The three types of national or country categories involved in Globalized HRM activities are:
- The host country where subsidiary may be located
 - The home country where the company has its headquarters and
 - Other countries that may be sources of labour or finance.

19.8.4 The Development of Global Leaders

- **Organizational Requirements:** Developing leaders who can think and act from a global perspective is a critical success factor for organizations operating in global markets. There is a view that organizations need to create a unique leadership brand.
- **Formal HRD Interventions and Practices:** Management development programmes that focus on the development of leadership skills. This includes in house and external programmes (T&D). Educating managers to behave in ethically and socially responsible ways. This can be achieved through workshops, courses, conferences and seminars, mentoring programmes and executive coaching (T&D). Identifying and developing less senior managers with the ability to advance to senior management positions. This can be related to organizational processes for succession planning and career development (CD).
- **Informal HRD Interventions and Practices:** Promoting ethical management and leadership as part of daily activities (HRD practitioners and senior managers as role models). Informal mentoring and coaching (can include upward coaching).

19.8.5 Updating Core Competencies and Skills

- **Organizational Requirements:** The core competencies and skills needed by employees are changing rapidly as new forms of technology are introduced, new products and services are developed, new markets are opened up, and suppliers are sourced from around the globe
- **Formal HRD Interventions and Practices:** Systems for the identification and monitoring of core competencies and skills (OD). Training and development programmes to enable employees to upgrade or learn new competencies and skills (T&D). Developing alliances with regional and national institutions (e.g. Learning Skills Councils in Britain; labour market partnerships in the US) (OD).
- **Informal HRD Interventions and Practices:** The promotion of lifelong learning and facilitation of informal workplace learning.

19.9 SUMMARY

In a competitive scenario of globalization, effective utilization of human resources has become necessary and the primary task of every organization is to identify, recruit and channel competent human resources into their business operations for improving productivity and functional efficiency. Business environment has become a global business environment. This chapter defined and explained the concept of globalization by drawing upon two contrasting perspectives. The dominance of the economic perspective was highlighted and discussed. The principal drivers of globalization were identified as advancements in technology and communications, global competition, and changing organizational structures. It was argued that particularly for those working in an international context globalization presents HRD practitioners with the opportunity to deliver a wide range of HRD interventions that add value to an organization. But, in order to do so, they must collaborate with important stakeholders on both a strategic and operational level. Comprehensive review presented shows the importance of it. It should be clear that the increasing importance of globalization cannot be underestimated or ignored. In more than one way globalisation is the need of the hour. Only countries which have effective social practices can, in a true sense, reap the payback of globalisation. The degree of adaptation of International HRM to local customs in various subsidiaries of MNCs will be remaining on the strategic agenda and managing International HR activities is an elaborate and complex task for today's manager. Virtually any type of international problem, in the final analysis, is either created by people or must be solved by people. Hence, having the right people in the right place at the right time emerges as the key to a company's international growth.

19.10 SELF-ASSESSMENT QUESTIONS

- Q-1. What are the HRD practices? Explain.
- Q-2. Discuss best practices of HRD.
- Q-3. Explain the HRD practices of manufacturing industries.
- Q-4. What are the manufacturing categories?
- Q-5. What are the best practices used in the chemical industry?
- Q-6. Discuss the HR practices at Du Pont.
- Q-7. What is Du Pont's training and development programme?
- Q-8. What are the best practices used in the pharmaceutical industry?
- Q-9. Elaborate the HR practices at GSK.
- Q-10. What is the work-life balance in the GSK industry?
- Q-11. What are the best practices used in the steel industry?
- Q-12. Discuss the HR practices in TATA Steel.
- Q-13. What are the best practices used in service industries?
- Q-14. What is the importance and role of HRD in the service sector?
- Q-15. Discuss the HRD in the tourism sector.

- Q-16.** Explain the HRD practices of MNCS.
- Q-17.** Elaborate globalization and HRD.
- Q-18.** What are the dimensions of globalised HRD?
- Q-19.** Explain the updating core competencies and skills of the manager.

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UNIT 20: INTERNATIONAL EXPERIENCES OF HUMAN RESOURCE DEVELOPMENT

UNIT FRAMEWORK

- 20.1 Objectives
- 20.2 Introduction
- 20.3 International Human Resource Development
- 20.4 International Business and IHRD: Methodologies
- 20.5 Globalisation and the Strategy
- 20.6 Stages of Internationalisation
- 20.7 Multinational's Perspective: Expatriate Career Decision Points Individual Career Development
- 20.8 Developing International Staff and Multinational Team
- 20.9 Challenges of International Human Resource Development
- 20.10 The Competency Required For International Managers
- 20.11 Summary
- 20.12 Self-Assessment Questions
- 20.13 Text and References

20.1 OBJECTIVES

After completing this unit you will be able to understand following topics:

- To explore the international human resource development: meanings and definitions
- To determine the international business and IHRD: methodologies; globalisation and the strategy; and stages of internationalisation
- To elaborate multinational perspective: expatriate career decision points individual career development
- To explore the developing international staff and multinational team; and challenges of international human resource development
- To explain the competency required for international managers

20.2 INTRODUCTION

The human ability to solve problems and to learn and master technical, managerial, and entrepreneurial skills are the result of education and experience. No matter what method is adopted in assisting allies to achieve sustainable development, the development of international human resources will undoubtedly play a pivotal role.

International human resource development is an integral part of international development work. For example, the United States gives out scholarships to people from developing countries for postgraduate education in that country. This not only assists the country in hastening its development, but also nurtures a large number of foreigners comfortable with American values and lifestyles. At the same time, these people will have a significant sway in decision-making and economic development back at home.

Increasingly, companies are being wooed to expand into foreign lands and 'globalisation'; a word so commonly heard nowadays till it seems to be a facet of modern business model. Some underlying reasons for companies to go global are technological advancement, cost efficiency and trade specialization. The above mentioned are just the tip of an iceberg as there are much more incentives which attract companies to globalize. However, as organizations reach outward for the market, many fail to recognise the importance of international human resource development (IHRD). Those organizations which hold little regard or no importance for IHRD often suffered setbacks and 'chain effect' consequences.

According to Stening et al (1997), while internationalization of business has increased opportunities for organizations and staff, it has inevitably created a myriad of Human resource development (HRD) challenges related to a multicultural workforce that is diverse. More than often, these challenges prove to be much more complex and subtle in nature.

Globalization, technological advances, together with the economic recession affecting virtually all sectors to varying degrees, are all producing significant changes in the business environment (Stone & Deadrick, 2015). To these external changes we must add internal factors, such as the impact of the increasing proportion of the workforce occupied by Millennials, who bring different values and behaviors to labor relations and a holistic view of the principal objectives of organizations (Deloitte, 2015).

All these changes place new demands on organizations and generate new ways of working, requiring professionals and managers to adapt at a rapid pace to ensure the survival of the company. Focusing on the area of human resources (HR), these changes can lead to restrictions on businesses such as fewer resources to undertake new projects, tighter training budgets and increasing job insecurity (Stone & Deadrick, 2015). At the same time, however, HR departments are becoming increasingly important, being responsible for aligning the performance of each employee with the company mission and objectives. The HR function is changing focus from administrative efficiency towards creating value for clients, investors and society in general (Ulrich & Dulebohn, 2015).

20.3 INTERNATIONAL HUMAN RESOURCE DEVELOPMENT

International Human Resource Development (IHRD) is the term used for organizations that manage their human resources activities at an international level. IHRD includes 'typical' HR functions such as recruitment, selection, performance management, training and development, and remuneration, however these are

analysed and/or managed at an international level (e.g. companies may advertise positions globally or update their policies following a review of international best practice). Furthermore, IHRD may also encompass additional activities such as expatriate management, multiple industrial relation activities (e.g. varying international collective agreements/employment contracts to meet differing country legal and tax requirements), global succession planning and so on.

Wang and McLean (2007) defined “International HRD (also known, perhaps more appropriately, as cross-cultural HRD, transnational HRD, and global HRD is a field of study and practice that focuses on for-profit, not-for-profit, and /or governmental entities and individuals cooperating in some form across national borders”.

Nadler and Nadler (1989) defined HRD as “organized learning experiences provided by employers within a specific period of time to bring about the possibility of performance improvement and/ or personal growth”.

Essentially, IHRD concerns the global understanding or Development of HR activities within an organization. More specifically there are three broad approaches that relate to IHRD:

- **Strategic or cross-cultural IHRD:** managing HR practices within any organization from an international perspective (e.g. consideration of global trends, talent etc.)
- **Comparative IHRD:** any organization seeking, describing, comparing and analysing HRD systems and practices in various countries (e.g. review of industrial relations or HRD theories to assist in HR policy development)
- **Multinational enterprises (MNE) focus:** Development of HR activities for organizations that have offices, and employees or representatives spread across two or more countries.

IHRD is most commonly associated with MNEs, and AHRI's IHRD guidelines are centered on MNEs. Many of the same principles apply to and overlap across all three approaches. i.e. MNEs would need to consider cross-cultural management, and would likely undertake a systems analysis when updating their HR activities. There are many factors a MNE must consider when deploying and engaging staff across different countries and regions. Tax regulations, industrial relations, law, immigration and culture are examples of some of the additional issues MNEs face when managing human resources across international boundaries. As a result, an organization must have a clear purpose and objective for its international missions, as well as be well prepared to manage everything that may arise as a result of the assignment.

Disparity between Domestic and International HRD (IHRD)

Many organizations often have a misconception when it comes to IHRD. They often think that they could simply apply domestic HRD policies overseas and attain the same desired result back home. As a matter of fact, there is a vast difference between domestic HRD and IHRD, where the latter being much more complex and challenging. According to **Stone (2008)**, domestic HRD is being defined as: ‘HRD as practiced within the geographical boundaries of one country. Its focus is the management of people in a single-country context’

While International HRD is being defined as: 'HRD as practiced by multinational organizations. Its focus is the management of people in a multi-country context'. From Stone's definitions, we can roughly tell the difference between domestic HRD and IHRD. Where domestic HRD is only practical in a single-country context, IHRD is applicable globally.

20.4 INTERNATIONAL BUSINESS AND IHRD: METHODOLOGIES

The origin of international business goes back to human civilization. Historically periods of greater openness to trade have been characterized by stronger but lopsided global growth. The concept of international business a broader concept relating to the integration of economies and societies, dates back to the 19th century. The first phase of globalization began around 1870 and ended with World War I (1919) driven by the industrial revolution in the UK, Germany and the USA. The import of raw materials by colonial empires from their colonies and exporting finished goods to their overseas possessions was the main reason for the sharp increase in the trade during this phase.

Advanced countries experienced a severe setback consequent upon the imposition of trade barriers as they produced in excess of domestic demand and a decline in the volume of international trade. Additionally, the breakdown of the gold standard resulted in vacuum in the field of international trade. Then the world nations felt the need for international co-operation in global trade and balance of payments affairs. These efforts resulted in the establishment of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD—popularly known as the World Bank).

The efforts of the IMF, World Bank and WTO along with the efforts of individual countries due to economic limitations of the closed economies led to the globalization of business. Globalization gave fillip to international business particularly during the 1990s. In fact, the term international business was not popular for two decades. The term international business has emerged from the term 'international marketing', which, in turn, emerged from the term 'international trade.'

INTERNATIONAL BUSINESS METHODOLOGIES

International business methodologies are similar to the stages of internationalisation or globalisation. Douglas Wind and Pelmutter advocated four methods of international business. They are:

1. Ethnocentric Approach
2. Polycentric Approach
3. Regiocentric Approach
4. Geocentric Approach.

1. Ethnocentric Approach: The Ethnocentric Approach is one of the methods of international recruitment wherein, the HR recruits the right person for the right job for the international businesses, on the basis of the skills required and the willingness of the candidate to mix with the organization's culture. The company exports the same

product designed for domestic markets to foreign countries under this approach. Thus, maintenance of domestic approach towards international business is called ethnocentric approach. This approach is suitable to the companies during the early days of internationalisation and also to the smaller companies.

2. Polycentric Approach: The Polycentric Approach is the international recruitment method wherein the HR recruits the personnel for the international businesses. In Polycentric Approach, the nationals of the host country are recruited for the managerial positions to carry out the operations of the subsidiary company. The executives of the subsidiary formulate the policies and strategies, design the product based on the host country's environment (*culture, customs, laws, government policies etc.*) and the preferences of the local customers. Thus, the polycentric approach mostly focuses on the conditions of the host country in policy formulation, strategy implementation and operations.

3. Regiocentric Approach: The Regiocentric Approach is an international recruitment method wherein the managers are selected from different countries lying within the geographic region of business. In other words, the managers are selected from within the region of the world that closely resembles the host country. The company, after operating successfully in a foreign country, thinks of exporting to the neighbouring countries of the host country. At this stage, the foreign subsidiary considers the regional environment (*for example, Asian environment like laws, culture, policies etc.*) for formulating policies and strategies. However, it markets more or less the same product designed under a polycentric approach in other countries of the region, but with different market strategies.

4. Geocentric Approach: Under this approach, the entire world is just like a single country for the company. They select the employees from the entire globe and operate with a number of subsidiaries. The headquarters coordinate the activities of the subsidiaries. Each subsidiary functions like an independent and autonomous company in formulating policies, strategies, product design, human resource policies, operations etc.

When a domestic company plans to engage in international business, the company has to select the mode of entry into the foreign country based on all relevant factors like the size of business, influence of environmental factors, attractiveness of the foreign market, market potential costs and benefits and risk factors.

- Different modes of entry to foreign markets include:
- Direct Exporting
- Indirect Exporting
- Licensing arrangements with foreign companies
- Franchising arrangements with foreign companies
- Contract manufacturing
- Management contracts

20.5 GLOBALISATION AND THE STRATEGY

The current phase of globalization, aims at the growth and development of world economies in a balanced way in order to liaise the employment opportunities and

living standards of the world population. Therefore, MNCs started locating their manufacturing and business centres in various potential markets in developing countries like China, India, Malaysia and Brazil in addition to strengthening their operations in advanced countries. These efforts of MNCs challenged the domestic companies and therefore, the potential domestic companies turned into MNCs and spread their operations beyond the boundaries. Thus, the industrial and business activities are expanded to various countries.

Globalization, therefore, further aims at free flow of all kinds of resources across the countries in order to meet the needs of the manufacturing centres established in the new locations. Consequently, money, material, machines and men picked up the mobility at higher speed. Consequently, people across the countries shifted to the new places based on demand for skills. This resulted in diversity of workforce and diversity of cultures at the workplace. As discussed earlier, MNCs prefer to recruit the candidates based on geocentric/global approach rather than home country nationals or host country nationals in view of the need for the best talent consequent upon competition. This approach further added to the magnitude of diversity of workforce in MNCs.

20.5.1 RE-EMPLOYING THE AGEING POPULATION

Ageing population has been on increase in many advanced countries as well as in developing countries where advanced health and medical facilities are available. In addition, the baby-boom generation (people born in the 20 year period after World War II) in some countries like the USA, the UK, and Australia continues to age. Further, globalization and dynamism in job structures changed the mindset of most of the aged people and made them psychologically and mentally young. Thus, the concept of mental age has emerged.

MNCs and even some of the governments started employing the physically aged, but mentally and psychologically young people as they also fit the job like young people. Providing employment to aged people has also gained momentum because the older perception that 'older people are associated with loss of memory and diminished intelligence' has been ruled out. MNCs also realized that they can't afford to force productive people to leave work. This new practice, further added to the diversity of the workforce.

Implications: The diversified workforce in terms of origin of the country, ethnic group, race, age and gender bring not only best talents, but also diversified cultures in terms of communication, motivation, achievement, respecting organizational procedures, power distance, individualism versus collectivism, masculinity, ethnics, morals and work norms.

20.5.2 INFLUENCES OF INTERNATIONAL BUSINESS

Conducting and managing international business operations is a crucial venture due to variations in political, social, cultural and economic factors, from one country to another country. *For example*, most of the African consumers prefer less costly products due to their poor economic conditions, whereas the German consumers prefer

high quality and high priced products due to their higher ability to buy. Therefore, international businessmen should produce and export less costly products to most of the African countries and *vice versa* to most of the European and North American countries. High priced and high quality Palmolive soaps are marketed in European countries and the economy priced Palmolive soaps are exported and marketed in developing countries like Ethiopia, Pakistan, Kenya, India, and Cambodia etc.

20.5.3 CHARACTERISTIC FEATURES OF INTERNATIONAL BUSINESS

Characteristic features of international business include:

1. **Accurate Information:** International business houses need accurate information to make an appropriate decision. Europe was the most opportunistic market for leather goods and particularly for shoes. Bata, based on the accurate data, could make appropriate decisions to enter various European countries.
2. **Timely Information:** International business houses need not only accurate but timely information. Coca-Cola could enter the European market based on the timely information, whereas Pepsi entered later. Another example is the timely entrance of Indian software companies into the US market compared to those of other countries. Indian software companies also made timely decisions in the case of Europe.
3. **Size of the Business:** The size of the international business should be large in order to have an impact on the foreign economies. Most of the multinational companies are significantly large in size. In fact, the capital of some of the MNCs is greater than our annual budget and GDPs of some of the African countries.
4. **Market Segmentation:** Most of the international business houses segment their markets based on the geographic market segmentation. Daewoo segmented its market as North America, Europe, Africa, Indian sub-continent and Pacific markets.

20.5.4 POTENTIALITY OF MARKETS

International markets present more potential than the domestic markets. This is due to the fact that international markets are wide in scope, varied in consumer tastes, preferences and purchasing abilities, size of the population etc. *For example*, IBM's sales are more in foreign countries than in the USA. Similarly, Coca-Cola's sales, Procter and Gamble's sales and Satyam Computers sales are more in foreign countries than in their respective home countries.

The size of the population, sometimes, may not determine the size of the market. This is due to the backwardness of the economy and low purchasing power of the people. Therefore, the international business houses should accurately estimate the size of the customers who are willing and able to buy the products/services rather than just the size of the population of the foreign countries.

20.5.5 DIFFERENCES IN GOVERNMENT POLICIES, LAWS AND REGULATIONS

Sovereign governments enact and implement the laws, and formulate and implement policies and regulations. The international business houses should follow these laws, policies and regulations. MNCs operating in India follow our labour laws, business laws and policies and regulations formulated by the Indian Government. *For example, international business is required to enter into a joint venture with the domestic company to enter Malaysia. Important among them include:*

20.6 STAGES OF INTERNATIONALISATION

The above stated factors contributed for the significant change in the scenario of international business and resulted in the variations in the operations of international companies. These variations in the scenarios are generally categorized into five stages viz, domestic company, international company, multinational company, global company and transnational company. Now, we study each scenario in detail.

Stage - 1: Domestic Company

Domestic companies limit their operations, mission and vision to the national political boundaries. This company focuses its view on the domestic market opportunities, domestic suppliers, domestic financial companies, domestic customers etc. These companies analyse the national environment of the country concerned, formulate the strategies to exploit the opportunities offered by the environment. The domestic companies' unstated motto is that, *"if it is not happening in the home country, it is not happening."*

The domestic company never thinks of growing globally. If it grows beyond its present capacity, the company selects the diversification strategy of entering into new domestic markets, new products, technology etc. The domestic company does not select the strategy of expansion/penetrating into the international markets.

Stage - 2: International Company

Some of the domestic companies, which grow beyond their production and/or domestic marketing capacities, think of internationalizing their operations. Those companies who decide to exploit the opportunities outside the domestic country are the stage two companies. These companies remain ethnocentric or domestic country oriented. These companies believe that the practices adopted in domestic business, the people and products of domestic business are superior to those of other countries. The focus of these companies is domestic but extends the wings to the foreign countries.

These companies select the strategy of locating a branch in the foreign markets and extend the same domestic operations into foreign markets. In other words, these companies extend the domestic product, domestic price, promotion and other business practices to the foreign markets.

Stage - 3: Multinational Company

Sooner or later, the international companies learn that the extension strategy (*i.e.*, extending the domestic product, price and promotion to foreign markets) will not work. The best example is that Toyota exported Toyopet cars produced for Japan in Japan to the USA in 1957. Toyopet was not successful in the USA. Toyota could not sell these cars in the USA as they were overpriced, underpowered and built like tanks. Thus, these cars were not suitable for the US markets. The unsold cars were shipped back to Japan. Consequently, Philips changed its strategy and created “industry main groups” in the Netherlands which are responsible for formulating a global strategy for producing, marketing and R & D.

Stage - 4: Global Company

A global company is one, which has either a global marketing strategy or a global strategy. Global companies either produce in their home country or in a single country and focus on marketing these products globally, or produce the products globally and focus on marketing these products domestically. Harley Davidson designs and produces in the USA and gains competitive advantage as Mercedes in Germany. The Gap understands the US consumer and gets competitive advantage.

Stage - 5: Transnational Company

Transnational companies produce, market, invest and operate across the world. It is an integrated global enterprise that links global resources with global markets at profit. There is no pure transnational corporation. However, most of the transnational companies satisfy many of the characteristics of a global corporation. Coca-Cola, Pepsi-Cola, and other soft drinks are examples.

20.7 MULTINATIONAL PERSPECTIVE: EXPATRIATE CAREER DECISION POINTS INDIVIDUAL CAREER DEVELOPMENT

We now briefly look at the impact that an international assignment has on an individual's career. There is an implicit assumption that an international assignment has per se management development potential; perceived career advancement is often a primary motive for accepting such postings. However, there is a paucity of research that demonstrates the link between an international assignment and career advancement. Two exceptions are studied by Feldman and Thomas, and Naumann; while these studies confirm career expectations as motives, the expatriates involved were taken from those currently on assignment. There is a need for research that examines career paths as a direct consequence of international assignments. It is possible to trace the typical assignment and identify critical decision points that may have career-related outcomes for a particular individual. The sequence may be common to all expatriates—PCNs as well as HCNs who accept assignments to either the parent operations, or to other subsidiaries (thus becoming TCNs). For ease of discussion, though, we will simply use the term expatriate and refer to the sending unit or subsidiary as parent. The stages of expatriation are from recruitment and selection

to completion of the particular assignment. The numerals are positioned at what have been identified as critical decision points.

For example, **Decision Point 1** occurs during recruitment and selection for a specific assignment, where the expatriate either applies, or is informally selected, for an international assignment. Further information about the host location during the recruitment and selection process (including pre-departure training if that is available), or family considerations, may prompt the potential candidate to withdraw at this point.

Hence **Decision Point 2** is “deselect.” There may be some career considerations as to whether a voluntary withdrawal at this point would have a negative consequence upon the person’s future. Such a perception may influence the individual’s decision to accept rather than reject the assignment. As we discussed earlier in terms of adjustment and performance overseas, the expatriate may decide to leave the international assignment in **Decision Point 3 – Premature Return**.

The individual then is assigned a position back in the “parent” operation. The premature return may or may not have career advancement consequences.

Alternatively, as indicated by **Decision Point 4**, the expatriate may decide to exit the organization—prompted by a perceived violation of the psychological contract, or perhaps as a result of another job offer that is perceived to be better in terms of the person’s career. This may be with a domestic firm back in the home country or with another foreign multinational. **Decision Point 5, Reassignment**, can be either back into the “parent” organization or the person may accept another overseas assignment.

Those, who elect to take a consecutive international assignment may, upon subsequent reassignment return to the “parent” operation, or become part of what is often referred to as the international “cadre”, or team.

Decision Point 4 can be relevant at this stage, as indicated by the dotted arrow (in the figure below) connecting “repatriation” with “exit organization.” How individuals react at each point may vary according to the perceived value of the assignment; that is; whether the perceived benefits outweigh the costs in terms of family disruption (including a spouse or partner’s career) and the factors that we have identified as important to performance while on an international assignment. Of course, the actual benefits will also depend on the multinational’s willingness and ability to utilize the experiences the expatriate has gained during the international assignment.

20.8 DEVELOPING INTERNATIONAL STAFF AND MULTINATIONAL TEAM

“The aim in a global business is to get the best ideas from everywhere. Each team puts up its best ideas and processes constantly. That raises the bar. Our culture is designed around making a hero out of those who translate ideas from one place to another, who help somebody else. They get an award, they get praised and promoted.” **Jack Welch**, CEO of GE. Foreign assignments have long been recognized as an important mechanism for developing international expertise for both management and organizational development. Establishing truly global operations means having a team of international managers (PCNs, HCNs, and TCNs) who are available to go anywhere

in the world. To develop such teams, many multinationals are conscious that they need to provide international experience to many levels of managers (regardless of nationality) and not just to a small cadre of PCNs.

Fostering a sense of corporate identity and teamwork seems an important aspect of leverage resources and ideas from all parts of the multinational. The remark from Jack Welch, CEO of GE, reflects this line of thinking. The aim in a global business is to get the best ideas from everywhere. Each team puts up its best ideas and process-constantly. This raises the stakes. Our society is built around making heroes out of those who aid others by translating ideas from one area to another. They get an award, they get praised and promoted.

To summarise, global operations entails having a team of multinational managers who are willing to travel to any location on the planet. Different methods for developing an international team are:

- Provide international experience to many levels of managers
- Short-term development assignments ranging from a few months to several years
- International job rotation
- Attendance at common training and development programs held either in the parent country, or regional centers, or both
- International meetings in various locations that foster interaction and personal networks.

20.9 CHALLENGES OF INTERNATIONAL HUMAN RESOURCE DEVELOPMENT

Following are some HR issues faced by people while working in the organization.

- 1. High Competition for Talent Retention & Acquisition:** Talent management is a commitment and strategic process of retaining, training & retraining employees to ensure business goals are met effectively & efficiently. Today's era is facing intense competition. More options are available to switch for employees as compared to previous. HR people are facing a difficult problem of attracting and retaining the best employee.
- 2. Adopting Innovation & Technology:** Technology is changing at a fast pace. Many trends like virtual teams, flexi work arrangement, online training, online recruitment, HR analytics are supporting growth, profitability & productivity. But this technology development and changes will also create problems like diverse work team management, supporting virtual workforce, big data base, use of IT tools and technology usage by people become difficult. Automation, digitization changed the role & nature of work. Most of the jobs are centralized and technology is used to scale down and replace the people's requirements. Similarly technical competency, hands on technology necessitate especially skilled people which are scared.

3. **A Rising Sense of Insecurity:** It has been observed in most professions that most people are feeling insecure about their jobs, salary, data security which is the biggest challenge. It refers to anxiety about the loss of employment, particularly the people on probation or temporary basis. This insecurity will directly affect the performance, motivation & productivity of an individual. So it is very difficult to motivate the people who have a sense of insecurity while working in an organization. Even workplace violence, threat, social security & stability, workplace competition creates the feeling of insecurity.
4. **Demographic Changes:** Because of globalization, people from different area, cultures of the world work together. Multinationals are developing at fast speed. It comes with cultural diversity, generation gap; aging workforce particularly in Public sector undertakings is increased. Women employment rate is also increasing day by day. Social trends are changing like nuclear families, single parents etc. So managers are facing the problem of dealing or managing the people having different culture, language, personality, gender etc.
5. **Economic Indicators:** National and International Economic trends impact HR policies. Trends like Recession, slow down, political changes and various economic trends influence hiring and selection strategies, payment strategies, promotion, Training & development strategies of a company. Now dealing with such a situation is the biggest challenge for the HR manager.
6. **E-HR Practices:** Use of technology has changed the face of traditional HR. Use of metrics, HR Analytics, Human resource Information system, in depth analysis, online recruitment & selection, online feedback & appraisal practices, available data driven succession planning are some real challenges for HR managers. Even many companies are outsourcing different HR functions.
7. **Changing Work Culture:** Work culture had a strong impact on almost every process in the organization. Work culture is also changing with high speed. Employees are more demanding and aware about their rights as compared to previous. Globalization, intense competition, increased work hours, work or occupational stress, work life balance problems & impact on employee's health & Safety are some inputs for changing work culture. Thus changing work culture, psychology of employees as well as employer, changing expectations are some challenges. Management just forces people to work, exploits in terms of work, time and salary packages, etc.
8. **Workplace Politics:** Every organization had more or less workplace politics. Favoritism, backbiting, groups, seniority are part of workplace politics. Now this is again one of the most challenging challenges faced by new joiners' as well as existing employees in any organization. Workplace politics also affect the person's morale, work performance, interest, creativity and so need to be addressed properly.
9. **Discrimination:** Discrimination on the account of race, gender, caste, religion, culture etc. is one of the pinching problems at workplace. Many women are discriminated against on the basis of gender. Promotion opportunity, career enhancement, travelling, shifting to critical projects are mostly considered as male dominated areas and women are discriminated against.

- 10. Ethical Issues:** There is constant pressure on the HR department. There are some critical situations which create ethical issues. A decision related to cash & compensation plans, recruitment & selection, promotion policy, transfer policy, privacy issues creates ethical dilemmas. Some of the ethical issues like whom to give cash or non-cash benefits like membership, coupons, increments etc. Also a lot of influence from top management, key employees, political parties & officials influence on various HR policies like recruitment & selection, promotion policy etc. forces them to indulge into unethical practices.

20.10 THE COMPETENCY REQUIRED FOR INTERNATIONAL MANAGERS

Competency is a cluster of knowledge, skills and abilities. To be an effective manager, some necessary skills are required. Managers have come to realize the importance of managerial skills; i.e., the ability to accomplish managerial goals through direct, personal action. During the past decade, a “skills movement” has emerged, and managerial skills courses are becoming increasingly widespread. To what extent are these skills courses relevant for international managers? None of the skills require any qualifications about the cultural extent within which the skills they consider will apply. This might lead to the impression that these skills are universal in scope and applicable to any setting, domestic or international.

A managerial skill is the ability to accomplish a particular type of managerial goal through personal action. The action may be as simple as a single behaviour, or may comprise a system of behaviours implemented interactively over a period of time. This definition suggests that our image of managerial skills rests on a set of managerial goals/problems currently thought to be important by managers and which could change over time and setting. This definition also distinguishes the direct and indirect parts of managerial goals. For example, a manager may have a goal of facilitating a meeting, which he/she accomplishes through direct action. The group may then arrive at a quality decision an indirect result of the manager’s action. Thus the manager’s skill in group facilitation results indirectly in furthering other organizational goals.

Based on this definition, an identification of important managerial skills can be made. The skills identified are summarized in the box below. International management considers management in a variety of cultural settings. It is therefore more diverse and difficult to summarize.

20.10.1 SKILLS REQUIRED FOR INTERNATIONAL MANAGERS

1. Cultural & organizational understanding
2. Adaptability, flexibility, open-mindedness, willingness to learn, resilience
3. Communication, active listening
4. Interpersonal
5. Negotiation & bargaining

6. Establishing relations, rapport
7. Delegation
8. Self-awareness
9. System & multiple perspective thinking
10. Team working, building

They can be more broadly classified into 6 skill types:

1. Intrapersonal skills, in which self-related goals receive primary emphasis; e.g., decision-making, planning, time and stress management, goal and action management, personal productivity, and self-motivation.
2. Interpersonal skills, in which external relational goals and changes in others are emphasized; e.g., communication and language, delegation, influence, conflict, group management, motivating others, and leadership.
3. Learning skills which enable or facilitate the development of other skills; e.g., self-awareness, creativity, and learning from doing.
4. Personal characteristics — not skills in themselves, but attributes of individuals which studies suggest are related to managerial skillfulness and skill development; e.g., proactivity, disposition to lead, perceptual objectivity, positive regard, and risk taking.
5. Entry skills used to assess and understand an organizational setting and establish effective working relationships in it; e.g., establishing relationships and sensitivity. These are distinguished from interpersonal skills in that they are used primarily to start up relationships, whereas interpersonal skills are used more on an ongoing basis.
6. Administrative skills used to carry out administrative functions; e.g., decision making and planning.

In the above the broad differences of skill mentioned among these categories are clearer. These differences may be summarized as follows: (1) Both domestic and international emphasize the importance of interpersonal skills and to a lesser extent, learning and intrapersonal skills; (2) the domestic emphasizes administrative skills, and; (3) the international only emphasizes entry skills, and to a lesser extent, personal characteristics.

These findings indicate a shift in skill emphasis as one moves from managing in a relatively more homogeneous domestic setting to managing in a more international setting. This shift involves a decreased emphasis on more specific administrative practices which have been established in domestic firms and which may not be appropriate in other cultures, and an increased emphasis on adaptive skills which enable a person to quickly learn about and adjust to different managerial situations found in other cultural settings. In addition the findings strongly support the importance of interpersonal skills in all managerial settings.

20.11 SUMMARY

With the increasing of globalisation, international human resource management (IHRD) plays an important role in achieving the organization's goals. Organizations which recognise the importance of IHRD will definitely benefit more than those who do not. They will be more ready to move their operations into another country and effectively manage their employees to achieve smooth operations of the organizations. As a HR manager, one has to be very sensitive and flexible to the cultural aspects. Besides that, having a good knowledge and positive attitude towards the host country will make the HR manager's job less tedious.

Organizations which rely heavily on expatriates must know the expatriate selection criteria well so as to send the best candidate out and reduce the chances of an expatriate failure. Comprehensive expatriate program must also be implemented in order to assist and prepare the expatriates for their long and scabrous journey. Preparing the expatriates adequately in terms of both physically and mentally will ensure a pleasant job experience for the expatriate while maximising the expatriate capability and contributions to the organization.

Human Resources are the most important asset for any organization. Globalisation, fierce competition, and an ever-changing, unpredictable, and complex environment make the HR function increasingly challenging. There are many challenges & issues for the people working in the organization. People facing the problems like technological challenges, changing demographics, ethical issues, privacy issues, insecurity & fear, social and cultural diversity, discrimination. These issues are required to be addressed properly. Organizations have to invest considerably in standardization of recruitment, selection, training & development policy, grievance handling procedure so that they will be able to retain & develop human resources properly.

These conclusions are relevant in the professional arena as they provide professionals with an overview of the challenges they face, so they can plan optimal HR management programs and work methods geared towards success, and identify improvement opportunities. In the academic sphere, our study opens possible future research lines that may contribute to the development of the profession, as we offer clear data on HR management viewpoints and the challenges they face.

20.12 SELF-ASSESSMENT QUESTIONS

- Q-1. Define international human resource development. What are the differences between HRD and IHRD?
- Q-2. Discuss the international business and IHRD. What are the methodologies of IHRD?
- Q-3. Describe the globalisation and the strategy. How can we re-employing the ageing population?
- Q-4. Elaborate the influences of international business.
- Q-5. What are the characteristic features of international business?
- Q-6. Explain the potentiality of markets.
- Q-7. What are the differences in government policies, laws and regulations?

- Q-8.** What are the stages of internationalisation? Explain.
- Q-9.** What is the multinational's perspective in respect to expatriate career decision point's individual career development? Discuss.
- Q-10.** How can we develop international staff and multinational teams?
- Q-11.** What are the challenges of international human resource development? Explain.
- Q-12.** Describe the competency required for international managers.
- Q-13.** What are the skills required for international managers? Discuss.

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