

Critical Evaluation of HRD Practices in India- with special Reference to Govt. Role

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Abstract: *Human resource development is the process of developing the human resource working in an organization by modernizing their knowledge and upgrading their skills, attitudes and perceptions in order to meet out the changing trends of the globalised economy and also to utilize those developments for the attainment of the organizational goals (Michael: 1995). In the present scenario of globalization and liberalization, it is extremely important to understand the real worth of the people in any organization. It is not sufficient to address people as the strategic asset of the organization but to believe that they are the real and the most important asset in any organization or firm. People are not just the packet of acquaintance and skills but they are the free agents who are proficient of handling the competition and dynamism of this era with their potential and are capable of bringing colossal values to an organization. HRD as an activity is extremely significant in achieving organizational excellence i.e. to excel with people, process and performance. To be a survivor in the present scenario of cut-throat competition, the organizations have to develop some appropriate HRD strategies to manage their work force in an organized manner and align their potential with that of their corporate missions and objectives (Deb: 2010) . This paper tries to understand the HRD in general and Essential Conditions for HRD, History of HRD in India , Objectives, benefits of HRD, HRD Mechanisms/Sub-Systems and role of Govt. for HRD Practice in India .*

Key Words: HRM, HRD, Role of Govt. Competency, KSE. Etc.,

1. INTRODUCTION:

People are the real assets of an organization provided treated well they can take organizations to commendable heights. Two plus two can be four or even ten. Organizations are generally driven by a set of predetermined goals and they employ physical, financial and human resources in order to achieve the goals. These goals have no meaning unless people understand the underlying philosophy, translate them into concrete action plans and put their hearts while realizing the targets. Organizations thus depend on people for the achievement of the objectives and goals, in similar way, people need organizations. The vast majority of people work to support themselves and their families and people also work for many reasons other than economic security. To meet their multifaceted needs, people and organizations join hands. Unfortunately, this union seldom approaches perfection. Organizations face several problems in their attempt to be productive and efficient in their tasks and feel satisfied in their work. The challenge of human resource management is to minimize these obstacles and improve the contribution made by people to the organizations. Human Resource Development (HRD) as a theory has a framework for the expansion of human capital within an organization and the individual to achieve performance improvement. Peter F. Drucker said the resources stand under the laws of mechanics. They can be better utilized or worse utilized, but they can never have an output greater than the sum of the inputs... Man alone of all the resources available to man, can grow and develop. Human Resource Development (HRD) deals with creating conditions that enable people to get the best out of themselves and their lives. Development is a never-ending process. As people develop themselves in new directions, new problems and issues arise, requiring them to develop new competencies to meet the changing requirements, aspirations and problems. There are, however, some universal goals towards which all human resource development efforts should aim to achieve. HRD embraces all those policies and programmes that support and sustain equitable opportunities for continuing acquisition and are mutually beneficial to individuals, the community and the larger environment of which they are a part. Adam Smith states "the capacities of individuals depended on their access to education" the same statement applies to organization themselves, but it requires a much broader field to cover both areas.

2. CONCEPT OF HRM AND HRD:

According to Leon C. Megginson. "The term human resource can be thought of as the total knowledge, skills, creative abilities, talents, aptitudes and beliefs of the individual involved. The term human resources can also be explained in the sense that it is a resource like any other natural resources. The term human resources from the organizational point of view defined as the total knowledge, skills, creative, effective and efficient decision

making abilities, talents, values, beliefs, aptitudes, attitudes and commitment of individuals and groups involved in and concerned with an organization.

The concept of HRD is not yet well dealt by various authors though each of them defined the term in his own view slightly with different approach. In India many organizations view HRD as synonymous with training and development. Even many

organizations in India renewed their training departments as HRD departments. While some other organizations renewed their personnel departments as HRD departments. The concept of HRD was formally introduced by Leonard Nadler in 1969 in a conference organized by the American society for training and development. Leonard Nadler defines HRD as “those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change.

In short HRD aims at helping people to acquire competencies required to perform all these functions effectively and make their organization do well. The HRD from an organizational point of view is a process by which employees of an organization are helped motivated to acquire and develop technical, managerial and behavioural knowledge, skills and abilities. Further employees are helped to mould their values, beliefs, attitudes and aptitudes to perform their roles with optimum potential so as to contribute positively to the individual, group, organizational and social goals.

3. NEED FOR THE STUDY:

For successful achievement of organizational objectives the human factor is the most important factor, because it is the living sector among all other factors of production. The human beings or the people in the organization need knowledge, attitude, values and skills for effective handling of their tasks. The greater the quality of performance of tasks, the higher level skills are required in the people. Hence competent and motivated employees are essential for organizational survival, growth and excellence. The ways in which people can show the effectiveness and improvement are cost reductions ,reduction in delays ,increased customer satisfactions, improved quality and promptness of services; and market image etc.

There for this paper tries to understand the HRD in general and Essential Conditions for HRD, History of HRD in India , Objectives, benefits of HRD, HRD Mechanisms/Sub-Systems and role of Govt. for HRD Practice in India , future perspective of HRD & implementation HRD in Indian Companies.

4. ESSENTIAL CONDITIONS FOR HRD:

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

- **Positive Attitude:** For a successful HRD practices whoever is involved must have positive attitude. Without positive attitude the persons will not take interest in the jobs to teach and learn. It will become half hearted effort. It may prove a mere effort to waste time, efforts and money.
- **Willingness to Learn:** A person who is interested in learning more skills and acquire knowledge should be ready and willing to learn more even when they face any difficulty during learning process .
- **Favourable Working Conditions and Culture:** these two conditions make the situation easier for the individuals and motivate them to go for learning during the development of HRD activities. It is possible in favourable working culture to give the desired standard of performance and behaviour.
- **Support of Top Management:** for planning and making HRD efforts successful the style and attitude of top level management should be favourable. If they are interested then only the resources can be allocated and facilities can be provided. Hence top management involvement is essential for successful HRD practices.
- **Support of Trade Unions:** Trade unions are group of workers and they work to protect interests of workers. Trade union leaders must know that HRD efforts not only for the benefits of employees but also for organization. They must convince the employees to get involved willingly in HRD activities.
- **Skills of Trainer:** trainer is the person who trains the employees regarding rules, regulations, procedures of work and technology. If we have a well trained trainer with positive attitude, proper communication skills and knowledge of the jobs the effect of training will be more.

5. HISTORY OF HRD IN INDIA:

- Kautilya, an Indian philosopher provided a systematic treatment of the management of human resources as early as 4th century BC in his treatise titled 'Arthashastra'. He provided an excellent discussion on staffing, job description, job qualifications, selection procedure, executive development, incentive systems, and performance evaluation.
- The British rule was marked by subhuman living conditions for workers, especially in plantation areas. This continued till the 'Factories Act of 1881' was passed, which regularized working hours, wages, off days, etc. Between 1939-40 and 1944 - 45 the number of registered trade unions increases. There was a large scale expansion of the trade union movement after the 'Second World War' and after Independence. With the beginning of the planning era in 1951, one could expect an active pursuance of policies to achieve socio-economic objectives implied in the better development and utilisation of human capacities in a free and just society. The socio-economic objectives and human resource development policies are inter-related. The social objectives of HRD are mass literacy and reduction of socio-economic inequalities. The economic objectives of HRD comprise economic and technological development to increase Gross National Product.
- The 1950s in India saw the birth of the 'Personnel Function' being introduced in the Indian industry to look after worker's interest. The 1960s saw a stress on the welfare attitude in the personnel profession. Then Labour Officers became interested in looking after canteens and latrines, meals and uniforms. The 1970s witnessed the introduction of the legal angle so that the adjudication of disputes became important and personnel officers went about obtaining law degrees to hone their legal skills for use on the shop floor. The 1980s saw an enlargement of the legal aspect, so that collective bargaining became the most important skill of the 'Personnel Officer'. Bipartite negotiations were complemented by union militancy during the first half of the decade and by management militancy during the second half. The 1990s saw the era of participative management on one hand and the slow withering away of unions on the other. Thus HRD gained importance in the Indian industry in this period.
- Perhaps India is the first country to formally establish a totally dedicated 'HRD Department' separated from the Personnel Department in a business organisation. This took place in the year 1974 when the term HRD itself was not very popular in the developed countries like, America. Late Prof. Uday Pareek, and Prof. T V Rao, the two consultants from the Indian Institute of Management, Ahmedabad (IIMA), after reviewing the effectiveness of the performance appraisal system and training in Larsen & Toubro (L&T) recommended an 'Integrated HR System' to be established to deal with development issues, being separated out from the personnel department and to be called as the 'HRD Department'. Thus the first HRD department in India was established.
- The HRD system has since then been reviewed from time to time and improvements made, retaining the basic philosophy. The original consultancy reports of Dr. Uday Pareek and Dr. T.V.Rao have sown the seeds for this new function and new profession. This pioneering work of Dr. Rao and Dr. Pareek led later the establishment of HRD Departments in the State Bank of India (SBI) and its Associates, and Bharat Earth Movers Limited (BEML) in Bangalore during 1976 and 1978.
- Indian Tobacco Company (ITC) took up HRD at the time of diversifying its business from cigarette manufacturing to other products. The company concentrated on improving its appraisal system and providing training so as to identify and rapidly develop managers for new projects. 'Crompton Greaves' resorted to HRD when it faced a slump in business and decided to take up additional projects in new locations. The focus of its programme was role clarity so that responsibility for results could be vested with profit centre managers. It has refined the appraisal system as well.
- Hindustan Machine Tools (HMT) was the first to start a dedicated 'OD Department' in the early seventies. The work here was well-respected and those who are associated with it rose to become leading CEOs and consultants later on. Bharat Heavy Electricals Limited (BHEL) was the first to initiate MECOM's (Manager Employee Communications) to facilitate employee development and create a healthy culture. The HRD Department in Bank of Baroda (BOB) was established in the year 1978 as a part of the 'Personnel Department'. The need for a separate HRD department to look after manpower planning, training and performance appraisals was suggested by a consultant appointed by the bank to suggest mechanisms to strengthen the head office. After its establishment the HRD department brought about major changes in the appraisal system and developed through a participative process, a development-oriented appraisal system for officers.
- The HRD department in IOC was established in June, 1983 with the task of designing a comprehensive HRD system and implementing it. The HRD department's work began by the Chief HRD Manager conducting a role

analysis exercise in the context of the HRD needs of IOC. By 1984 HRD departments were set up even in Refineries and Pipelines Division and Marketing Headquarters of IOC.

- The first HRD workshop to discuss HRD concepts and issues was held at IIMA in 1979. This workshop was the beginning of spreading the BIRD message. In subsequent years beginning 1980 a series of workshops were held to develop HRD facilitators, both at IIMA and in the Indian Society for Applied Behavioral Sciences (ISABS). IIMA workshops focussed in the conceptual parts and ISABS on experimental part. As HRD started growing, L&T instituted a HRD Chair Professorship at XLRI, Jamshedpur, Dr. T.V.Rao moved to XLRI as L&T Professor in 1983 to set up the Centre for HRD. Subsequently, a National Seminar was organised in Bombay (Mumbai) during February 1985 jointly by XLRI Centre for HRD and the HRD Department of L&T. The National HRD Network was conceived during this seminar. The first HRD Newsletter was started consequent to this seminar by the Centre for HRD for XLRI and was sponsored by L&T. The National HRD Network took shape and became a large body with about 20 chapters in the subsequent five year period. The National HRD Network was nurtured by IIMA and XLRI on the one hand and by the corporate sector on the other. The National HRD Network later gave birth to the Academy of Human Resources Development. This is the first family tree of HRD in India.
- HRD System and HRD Culture is still a new philosophy to many Indian organisations in public and private. Even if some organisations already have some formal or informal HRD Mechanisms, strengthening the HRD Processes requires an understanding and acceptance of HRD Philosophy by the line managers. One of the ways of developing such an understanding is by letting the HRD philosophy to percolate from top management down to line managers. However, this takes long time. As such, for quicker understanding and acceptance, line managers need to be oriented. After nearly four decades of the evolution of HRD function in India, still organisations don't recruit professionally qualified HRD professionals. HRD managers don't do their own basic work of profiling the job properly through competency mapping to ensure that scientific recruitment is followed. HRD has still a long way to go to be accepted fully as a profession in Indian corporate organisations consisting of public and private sector companies. Today, there are high expectations from HRD. Good HRD requires well-structured function, appropriately identified HRD systems, and competent staff to implement and facilitate the change process. As the organisations picked up momentum towards establishing HRD departments a lot of HRD Managers in India started undertaking a number of interventions.

6. OBJECTIVES OF HRD:

Human Resource Development is basically the process of developing the work force working in any organization by enhancing their knowledge and skills through proper training and guidance. It ultimately aims at achieving the organizational goals by combating them with the goals of the individuals working in an organization. There are certain objectives for implementing HRD in any organization which aims at developing (Rao: 2005) :

- the capabilities of each employees as individuals;
- the capabilities of each individual employee in relation to his/her present job;
- the capabilities of each individual employee in relation to his/her expected future role;
- the superior-subordinate (dyadic) relationship;
- a cohesive and congenial atmosphere of working;
- collaboration among different units of an organization;
- to develop the constructive mind and overall personality of employees;
- the organization's overall health and self-renewing capabilities which in turn increase the organizational capabilities in a comprehensive manner;
- to humanize the work in an organization; and
- to ensure better quality work, higher productivity and higher profits.

7. BENEFITS OF HRD:

some important benefits being discussed in brief which are the outcome of implementing HRD in any organization:

- HRD helps in identifying organizational goals through better understanding of employees,
- HRD fosters commitment through the communication of values,
- HRD facilitates dyadic relationship,
- It facilitates job enrichment through proper training and acquisition of new skills,
- HRD increases the awareness of the importance of change management and consequent adaptability of employees,

- HRD provides higher quality of work life through opportunities of a meaningful; career, job satisfaction and professional development,
- It focuses on need contentment through recognition and achievement. With appropriate HRD programme, people become more committed towards their job, people are assessed on the basis of their performance (Deb: 2010)
- HRD makes people more competent. It develops new skills, knowledge and attitudes of the people in the organization concerned,
- A congenial and a cohesive environment could be developed with the implementation of HRD programmes,
- Employees found themselves more capable of handling competition ,
- Proper HRD policies promote openness in the attitudes of the employees working in the organization, it contributes to the overall growth of the employees,
- Resources are utilized in an optimum manner,
- It helps in developing a sense of belongingness among the employees and increases the participation rate among them,
- It also helps in collecting data for human resource planning (Khurana et al: 2009).

7. HRD MECHANISMS/SUB-SYSTEMS:

There are different types of sub-systems/mechanisms/methods which are employed to implement HRD in an organization viz;

- Performance Appraisal
- Potential Appraisal and Development
- Career Planning
- Training and Development
- Career Development
- Organizational Development
- Role Analysis
- Employee Welfare and Quality of Work Life
- Self-Renewal and Institution Building
- Rewards
- Quality Circles, Task forces and Assignment Groups
- Employee Counseling and Coaching

8. ROLE OF GOVERNMENT IN HRD PRACTICE:

During the post-World War II era no other area of economics has experienced as many hasty changes in leading paradigm as has Economic development. These changes have paved the way for practitioners and thinkers to incorporate the role of government in promoting economic development. In the first phase, lasting from 1940 to 1979, government was assigned a primary, and an entrepreneurial role. The intellectual roots of this view can be found in the writings of the pre-Marshallian classical economists and in their immediate post World War II followers, W.Arthur Lewis, Rosenstein Rodan, Nurkse, Singer, Prebisch, Hirshman and Leibenstein . They viewed economic development as a process of growth that requires the systematic reallocation of factors of production from a low-productivity, traditional technology, decreasing returns, and mostly primary sector to a high-productivity, modern, increasing returns, mostly industrial sector . The "government as prime mover" in development was reinforced by the realization in the late fifties that insufficient entrepreneurship was leading to serious absorptive capacity constraints to the provision of foreign aid and the undertaking of government-sponsored investment projects. In the second phase, lasting from 1979 to about 1996, was a continuation of then Neoclassical "getting prices right" line of thought. Neoclassical trade theorists (Krueger, and Bhagwati), who came to dominate the field of economic development, suggested that international trade can provide a substitute for low domestic aggregate demand. Governments should also remove price distortions in domestic factor and commodity markets ("get prices right") to induce suitable movement of factors among sectors, encourage the adoption of appropriate technology, and increase capital accumulation. In this view, domestic and international liberalization programs would suffice to bring about sustained economic growth and structural change (Adelman: 1999).

Government can play a pivotal role in the development of human resource. In India, we have a full fledged separate ministry for the purpose of covering education, health, sport etc. But there are certain loopholes like bureaucracy, red-tapism etc. which are needed to be filled up in the light of substantial development for the nation. Policies should be framed in a manner which are capable of tackling the objectives of HRD. There should be task forces, rotating employees in various sections and sub sections to become familiar with

the entire system. They should work efficiently and take a lead in HRD because government's investment in the field will be of autonomous nature i.e. without many profit motives. It will also induce the private sector to make large investments in this area. Human Resource of any country is the national asset and they need developments from time to time to meet the edge of growing competition at a global level. Overall progress of a country depends largely on its developed work force. Hence they should be helped in developing their potential to shoulder responsibility of nation's development.

9. FUTURE PERSPECTIVE OF HRD:

A variety of new situations/developments that are emerging of late in the industrial and business world throw new challenges to HRD managers. Prominent among these are listed out below. They must be able to face these challenges and future developments boldly, courageously and with all innovative skills, dynamism and imagination at their command. Otherwise, they are erased out of the main stream of management in the corporate world. For this purpose, they must equip themselves with the needed skills, abilities/competencies, experiences, knowledge, information and perceptions etc.

- Advances in Technology,
- Changes in sources of raw materials and financial resources,
- New and diverse customers,
- Corporate restructuring,
- Alternations in industries structure,
- Changes in government regulations regarding corporate governance,
- Down sizing of organizations/enterprises,
- Mergers and acquisitions.
- New and revised corporate strategies.
- Work simplification methods/ processes.
- Exploration of newer markets and alteration of existing markets.
- Diversification of products and services (Swarajayalakshmi: 2005).

Human resource constitutes the most valuable asset in the context of development and growth perspectives in an organization. Relative performances of nations, regions of economy, Industrial Sectors as well as corporate enterprises are critically linked to the quality of human contributions. Hence, it is the utmost responsibility of the HRD managers to look after the desired areas of concern for the persistence of development of skills and knowledge of the work force by making arrangements to make sure that these needed developments took place in a well-organized and cohesive manner.

10. HRD IN INDIAN COMPANIES:

The HRD function has been initiated in most organisations in the last few years in India. Some of them are yet to make their presence felt. No organisation has yet introduced, all the HRD mechanisms listed. Several organisations have just few of these and therefore, it is difficult to conclude whether any organisation in India has comprehensive and complete system of HRD at all. Probably L&T comes closer to having a comprehensive system but its synergistic effects are yet to be experienced by the company. Among the others, SBI SAIL, SFL, ECC, IOC, CGL, TVS Voltas, SBP are on their ways to having such comprehensive systems. There is a danger of these organisations taking a longer time to dilute the spirit of HRD, if they do not act fast. More vision, leadership and dynamism are required for implementing various sub-systems and creating a HRD culture.

11. CONCLUSION:

Out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality. In case, lack of attention to the other factors those are non-living may result in reduction of profitability to some extent. But ignoring the human resource can prove to be disastrous. Out of all the resources of an organization, human resource is probably the most critical resource. Therefore, in the present chapter the concepts, definitions and the origin of HRD and historical roots of HRD and other related concepts have been discussed at length along with its critical perceptions and the sub-systems and philosophy of HRD and trends and future of HRD. HRD Plays very important role in restructuring of organization, global competition, technological changes, employee empowerment, strategic outsourcing, compensation to top level managers, commitment, retention of employees and future of HRD

research. From the above point it is felt that HRD efforts play very important role in present competitive environment for an organization.

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