

**HUMAN RESOURCE  
DEVELOPMENT, STRATEGIES &  
SYSTEMS  
(DMHR21)  
(MHRM)**



**ACHARYA NAGARJUNA UNIVERSITY**

**CENTRE FOR DISTANCE EDUCATION**

**NAGARJUNA NAGAR,**

**GUNTUR**

**ANDHRA PRADESH**

## CONTENTS

Lesson –1 : HRD Concept, Need and Origin	1.1 – 1.15
Lesson –2 : HRD as a Total System	2.1 – 2.18
Lesson – 3: Activity Areas of HRD	3.1 – 3.15
Lesson – 4 : HRD Climate in Indian Organizations	4.1 – 4.18
Lesson – 5 : Integrated Human Resource Development Systems	5.1 – 5.23
Lesson – 6: Career Planning and Development, OD / Research and Systems Development, Rewards, Employee Welfare & Quality of Work Life, and HRIS	6.1 – 6.24
Lesson – 7: Human Resource Development Strategies in India	7.1 – 7.20
Lesson – 8: Staffing for HRD	8.1 – 8.15
Lesson – 9: Physical and Financial Resources for HRD	9.1 – 9.14
Lesson – 10 & 11: Instructional Strategies / Technology..	10&11.1 – 10&11.10
Lesson – 12 : Evaluating the HRD Effort	12.1 – 12.6
Lesson – 13 : HRD Practices in India	13.1 – 13.30
Lesson – 14 : Training : Concept, Importance and Objectives	14.1 – 14.16
Lesson – 15 : Types and Methods of Employee Training	15.1 – 15.19
Lesson – 16 : Identification of Training Needs	16.1 – 16.17
Lesson – 17: Designing and Organising Training .....	17.1 – 17.13
Lesson – 18 : Management Development	18.1 – 18.14
Lesson – 19 : Management Development Programmes ..	19.1 – 19.15

**LESSON - 1****HRD CONCEPT, NEED AND ORIGIN****LEARNING OBJECTIVE :**

After reading this lesson, the student is able to :

- \* Know the significance of Human Resources
- \* Understand the classification of HRM
- \* Understand the concept and need of HRD
- \* Study the HRD at Macro and Micro level

**LESSON STRUCTURE :**

- 1.1 Importance of Human Factor
- 1.2 Human Resource Management
  - 1.2.1 The Concept of Work
  - 1.2.2 Internal Factors
  - 1.2.3 External Factors
- 1.3. Classification of HRM
  - 1.3.1 HR Utilization (HRU)
  - 1.3.2 HR Environment (HRE)
  - 1.3.3 HR Development (HRD)
- 1.4. The Concept of HRD
  - Nadler's Concept of HRD
  - T.V. Rao's Concept of HRD
- 1.5. Meaning and Characteristics of HRD
- 1.6. Need for HRD
  - 1.6.1 Need for HRD in the Indian Context
- 1.7. Difference between Personnel Management and HRD
- 1.8. Goals of HRD
- 1.9. HRD at Macro and Micro level
  - 1.9.1 Macro level HRD
  - 1.9.2 Micro level HRD
- 1.10. Summary
- 1.11. Keywords
- 1.12. Self Assessment Questions
- 1.13. Further Readings

**1.1 IMPORTANCE OF HUMAN FACTOR**

Of all the factors of production, man is by far the most important. The importance of human

factor in any type of co-operative endeavour cannot be over emphasised. It is a matter of common knowledge that every business organisation 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 human resource becomes even more important in the service industry whose value is delivered through information, personal interaction or group work. The overwhelming importance of this factor is due to its unique characteristics. First, this is the only resource which can produce unlimited amounts through better ideas. There is no apparent limit to what people can accomplish when they are motivated to use their potential to create new and better ideas. No other resource can do this. Second, this resource is animate, active and living. It is with his ability to feel, think, conceive and grow shows satisfaction or dissatisfaction, resentment or pleasure, resistance or acceptance for all types of managerial actions. All other resources which are inanimate, inert and passive do not act in this way. All emotional problems emanate from human factor only. Third, human resource is most complex and unpredictable in its behaviour. There is no cook book formula to guide a manager how to motivate his workers. A manager can buy his worker's time, he can buy his physical presence at a given place, he can buy a measured number of skilled muscular motions per hour or day, but he cannot buy worker's enthusiasm, he cannot buy his initiative, he cannot buy his loyalty, he cannot buy his devotion. Fourth, each individual has his own distinct background. This makes each individual unique in his psychological framework. No two individuals have exactly similar psychological frameworks. Hence, they cannot be interchanged, much less standardised. This implies that all individuals in an organisation cannot be treated alike. In employing and supervising people and in endeavouring to reach their motivation, a manager must follow tailor-made approach based on his understanding of the actions, attitudes, needs and urges of the worker concerned. This is a very formidable and challenging task. Fifth, it is only the human resource which can help an organisation attain sustained competitive advantage by facilitating the development of competencies that are firm-specific and difficult to imitate. Finally, it is only this resource which appreciates in value with the passage of time. As time passes people become experienced and skilled. It is not so with other resources which generally depreciate as time goes on. All the above factors underscore the need for a manager to be more than 'good at handling men'. He must recognise their importance as a valuable (key) resource.

## **1.2 HUMAN RESOURCE MANAGEMENT (HRM)**

Over the years in organizations the world over have increasingly become aware of the importance of human resources. The real life experience substantiate the assumption that no matter how sophisticated and modern the business activities of the organization become it will find it extremely difficult to sustain its growth, the effectiveness unless its human resources are complementary to its operations. The realisation has propelled 'human resource management' as a major field of study in the recent years. This renewed interest has further facilitated the development of new approaches in managing human resources. An understanding of human behaviour based on experiential and empirical evidences point out that the human system is not standing, it is being continuously influenced by the ever changing sub systems in the environment. HRM could thus be viewed as a dynamic process which needs to be kept aligned with the changing realities in the environment. The underlying emphasis for HRM would be to look for the appropriate 'fit' between work and man from time to time.

### **1.2.1 THE CONCEPT OF WORK**

Behavioural scientists who have been examining the concept of work over the past five

decades have been able to get a better insight into the human behaviour at work. Work performed by man is a behavioural manifestation of need satisfaction. Behaviour, therefore, is purpose oriented or goal-oriented which itself is the product of the interplay of two types of factors - intrinsic and extrinsic. The intrinsic factor relates to the man himself and the extrinsic factors refer to the context within which he operates. The internal or intrinsic factors are the 'motives' which encourage a man to initiate a certain pattern of behaviour, the final outcome of which is influenced by the external or extrinsic factors. A logical complementary or supportive to man's motives, work will be performed by him at the desired level. When man demonstrates 'desired behaviour' we will call him motivated.

### **1.2.2 INTERNAL FACTORS**

Two of the major attempts which brought about an understanding of these internal motives were by Maslow and McClelland. Maslow explained the behaviour in terms of satisfaction of a set of human needs. According to Maslow, people behave (work) to get these needs satisfied. When a lower-level need is satisfied that need ceases to be a motivator but the higher order need operates in determining his behaviour. Maslow classified these needs as psychological needs, safety needs, social needs, esteem needs then self-actualization needs in a hierarchical order. McClelland on the basis of his studies, emphasised that the need for achievement can be a strong driving force to make people work. He even suggested that people can be trained to orient themselves towards for need achievement.

### **1.2.3 EXTERNAL FACTORS**

The importance of external factors are given by McGregor and Herzberg. McGregor described two sets of assumptions about human behaviour towards work which he called theory "X" and theory "Y". Theory "X" suggested that human beings have to be controlled and coerced to elicit the desired behaviour. As opposed to this, theory "Y" assumes by human beings is only if opportunities for self-actualization are provided by the work and work environment Herzberg's analysis of work motivation led to his famous 'two-factor theory, a set of factors-called external factors-are related to the context of work such as wages and salaries, company policies, working conditions and quality of supervision. The second one - internal factors - relate to the content part of the work which includes responsibilities, achievements, recognition, meaningfulness and opportunity for growth. According to Herzberg, both these factors are responsible for eliciting work behaviour but the real motivation to work occurs when man tries to growth needs which are activated by the internal factors.

The main resources for any productivity are physical, financial and human. For many years human resources received the least amount of attention, until the behavioural science approaches were recognized. And out of his the new concept organizational behaviour grew. Gradually there were number of books and articles seeking to recognize the "human side of management". The concern for human resources became important from the 1970's and the field human resource management virtually exploded into a variety of specializations concerned with human resources. "Personnel is no longer adequate term to describe what is happening in the field.

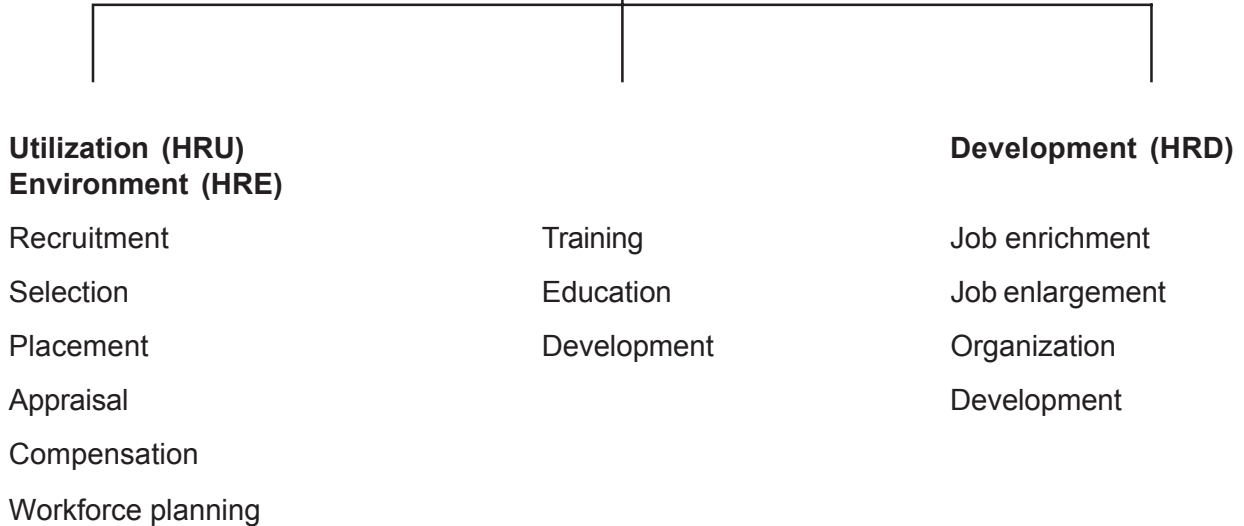
## **1.3 CLASSIFICATION OF HRM**

Prof. L. Nadler, broadly classifies human resource management into three heads:

### **1.3.1 HUMAN RESOURCE UTILIZATION (HRU)**

These are obviously the traditional functions of the Personnel Department. They are still needed, and they are very important. Without attention to these activities, few organizations could continue to function, particularly if they are labour intensive rather than capital intensive. In all organizations, HRU is an important activity.

### HUMAN RESOURCE MANAGEMENT



#### 1.3.2 HUMAN RESOURCE ENVIRONMENT (HRE)

This is the newest of the three areas of specialization. Before 1970, it is difficult to see any organization with people involved in any of these areas. Some leading organizations utilized external consultants, but even these organizations seldom considered having a unit devoted to HRE. Increased concern over the quality of work life has contributed to under scoring the necessity for an organization to have, people who are concerned with HRE.

#### 1.3.3 HUMAN RESOURCE DEVELOPMENT (HRD)

HRD is concerned with providing learning experiences for people. When we study about HRD it is better to avoid the use of the word training. HRD is not synonymous with training, Yet it has origin in that. The movement, during the 1970's toward HRD reflects more than a cosmetic change. It reveals significant conceptual changes. Of course HRD is not new. It is only our understanding of the term that is new.

According to Prof. T.V. Rao, Development is acquisition of capabilities - Capabilities that are needed to do the present job or the future expected job well. 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, nature and use the capabilities of people. HRD system aims at creating such a climate.

He further says that for convenience sake management scientists have categorised the competency requirements in organization life into four categories - Technical, Managerial, Human and Conceptual. Educational psychologists further differentiate knowledge, attitudes and skill components in each of these categories. Of these, knowledge components are developed with

relative ease in classroom sittings and with good reading habits. Attitudes and skills can be developed and strengthened mostly on the job. Mechanisms like performance appraisal, interpersonal feedback, counselling, potential development, career planning and development, organizational development, autonomous work groups, job enrichment and training aim at developing such competencies in the employees.

In the past organisations were content with ‘training’ as a mechanism of developing competencies. As organizations started realizing the limitations of training in developing skill - based competencies, and the need for creating a “development climate” that can develop and harness the human resources, they begin exploring other mechanisms. This is the cause for paying attention to other mechanisms of development that led many organizations to set up new departments of HRD.

HRD has gained increasing attention in the last three decades from human resource specialists, training development professionals, chief executives and line managers. Many dimensions of HRD have been integrated into research, training, and organizational design and change. Others are still being explored. Gradually, there is likely to be a knowledge explosion in HRD. If trainers, researchers, and consultants want to utilize this knowledge effectively, they must understand the concepts behind HRD and how HRD systems work in and contribute to organizations. They also must understand organizations, the different mechanisms for developing human resources and link between them.

## **1.4 THE CONCEPT OF HRD**

### **(Prof. L. Nadler’s concept of HRD)**

Nadler defines HRD as “those learning experiences, which are organized, for a specified time, and designed to bring about the possibility of behavioural change”. He elaborates the terms in the definition as follows :

#### **1.4.1 ORGANIZED**

The learning experiences must have some form of organization. This does not mean that this is only formal. On the job learning need to be organized, or else it is likely to fail. However it is a non-formal learning experience. Formal usually means taking place in a class room situations, along with other learners. Using a teaching machine, with only one learner at a time is organised but is commonly classified as non-formal. The distinction is difficult to make but for our discussion organized learning includes both.

#### **1.4.2 FOR A DEFINITE (SPECIFIED) TIME PERIOD**

The necessity for a specified time period helps to clarify both purposeful learning and the organized aspect of the learning. The learner and the organization must set aside specific periods of time for the learning experience. Learning never stops, but there is need for terminal points which the learners and the organization can assess, what learning has taken place and its relationship to performance.

#### **1.4.3 THE POSSIBILITY OF BEHAVIOURAL CHANGE**

Learning is sometimes defined not only as the acquisition of new behavioural pattern but also as the utilization of the new behaviour. Knowing and doing are not always the same. Helping people learn is not always easy, but in most cases, it is possible. Helping people change their

behaviour is much more difficult.

The emphasis on the word 'possible' is an important caution, There may be times when HRD people 'promise' too much, and managers expect too much in the way of behavioural change. What HRD people can offer is that, as a result of the learning experience, the learner may change. Whether the change actually takes place or not is related to many factors.

The HRD people can conduct programmes on safety to managers and supervisors and if they do not reinforce this behaviour, it may disappear.

#### **(Prof. TV Rao's concept of HRD)**

TV Rao defines HRD in the following way limited to the organisational context. Which can differ in the context of state or nation.

HRD is a process, not merely a set of mechanisms and techniques. The mechanisms and techniques such as performance appraisal, counselling, 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. Organisations 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.

Thus, according to Rao, HRD in the organizational context is a process by which the employees of an organization are helped, in a continuous, planned way, to :

1. Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
2. Develop their general capabilities as individual and discover and exploit their own inner potentials for their own and / or organizational development purposes;
3. Develop an organizational culture in which supervisor - subordinate relationships, team work, and collaboration among sub-units are strong and contribute to the professional well-being, motivation, and pride of employees.

'R.Wayne Mondy and Robert M.Noel', define HRD as planned, continuous effort by management to improve employee competency levels and organisational performance through training, education, and development programmes.

According to them the broad scope of the HRD function is reflected in its three components : training, education and development.

## **1.5 MEANING AND CHARACTERISTICS OF HUMAN RESOURCE DEVELOPMENT (HRD)**

Human Resource Development is a system of developing in a continuous and planned way the competencies of individual employees, dyadic groups (superior and subordinate), teams and the total organisation to achieve organisational goals. It maximises the congruence between the individual and organisational goals of employees and develops an organisational culture in which superior subordinate relationships, teamwork and collaboration among various units become strong and contribute to the professional well-being, motivation and pride of employees. Thus understood HRD denotes the culmination of the growth of the well-known human relations school of management



which began over seven decades ago on the basic premise that the fulfillment of an organisation's immediate and future goals depends to a considerable extent on the fulfillment of its people's goals.

Important characteristics of HRD which emerge from the above definition are as under:

**1. HRD is a system:** We must consider HRD as being made up of several mutually dependent parts or sub-systems such as procurement, development, performance appraisal, etc. There are feedback loops from one sub-system to the other. As a result, change in any one sub-system produces a reverberating effect on all other sub-systems. Consider for example the effects of a change being introduced in the requirements of a job. Obviously, the original job description must be updated to reflect the newer requirements, but this may also affect the wage paid on that job. In addition, manpower planning strategies may have to be modified in order to ensure a continuous flow of qualified persons for the changed job, different recruiting strategies may be called for in order to attract new candidates for the job, new kinds of information may be needed in order to select or promote qualified individuals, and finally, the content of training programmes for the job may have to be altered.

**2. HRD develops the competencies at four levels - Individual, dyadic, group and organisation:** At the individual level employees are made aware of the expectations of other persons about their roles so that they are able to improve their skills and attitudes accordingly. Roles of individuals are made more interesting by designing and redesigning jobs and by job enrichment programmes. At the dyadic level stronger employer-employee relationship is developed by developing in the two persons more trust, mutuality and help. At the group level committees or task groups are made more effective by developing collaboration in their intergroup relationships. Finally, at the organisation level development of competencies involves the development of self-renewing mechanisms in the organisation which enable it to adjust to the changes in its environment and to proact. This also includes developing conducive HRD climate in the organisation.

**3. HRD is a continuous and planned development effort:** In any development effort the end is never reached. HRD also being a development effort always goes on even when organisations have reached saturation in their growth. Their excellent HRD profiles at any given point of time do not guarantee that they will continue to remain so, for all times to come. HRD is, therefore, undertaken on a continuous basis in a proactive, planned manner by allocating resources for the purpose, and by creating an HRD philosophy that values human beings and promotes their development.

**4. The ultimate object of HRD is to contribute to the professional well-being, motivation and pride of employees:** Since an organisation can only be as effective as its employees, an enlightened, motivated and job-satisfied body of employees is the ultimate objective of HRD. HRD achieves this objective by :

- (a) Attracting people to the organisation and holding them.
- (b) Maximising their performance of assigned roles. The most conspicuous assigned roles in any organisation are to meet some minimum levels of quantity and quality.
- (c) Maximising their performance beyond the assigned roles for organisational goals. It is not enough if people within an organisation simply carry out what is required of them. An organisation which depends solely upon its blueprints of prescribed behaviour is a very fragile social system which may grind to a halt at any time. A bureaucracy becomes inefficient partly because it comes to depend solely on prescribed role requirements.

People in a bureaucracy work according to rules only. The result is that the problems and cases which fall outside the rules go on accumulating. They are more tossed than tackled. For their solution memorandam are exchanged, precedents are invoked and the already bulky rule-book goes on becoming more bulky and the organisation more efficient every day.

In order to be strong and effective every organisation demands from its members certain actions which though not specified by role prescriptions are very important because they facilitate the accomplishment of organisational goals. These include : (i) doing acts of cooperation, e.g., lending tools or material to the fellow-worker, diagnosing a defect in his machine, helping a fellow who is behind on his quota and so on; (ii) protecting an organisation against disaster, e.g., saving life and property in the organisation; (iii) contributing ideas for organisational improvement; (iv) self-education, i.e., continually increasing competence and continually raising demands on oneself; (v) helping to create a favourable climate for the organisation in the community which surrounds it.

## 1.6 NEED FOR HRD

**1. HRD is needed to develop competencies:** No organisation can survive, let alone make a mark, if its employees are not competent in terms of knowledge, skills and attitudes. Competent employees are as much the necessity of a non-profit organisation as of a profit making organisation. Both types of organisations need competent employees for the success of their internal and external operations. A profit organisation interested in growing, diversifying or improving its working (such as cost reduction, reduction in delays, increased customer satisfaction, improved quality, market image, etc.) must first think of developing its employees' competencies. Similarly, a non-profit organisation, say a university or a hospital interested in improving its work culture, must first think of orienting its employees' attitudes.

**2. HRD is needed to mitigate some of the evil consequences of industrialisation:** It is common knowledge that the factory system has dehumanised and deskilled various jobs. By enriching workers' roles HRD satisfies their needs of advancement, growth, self-respect, recognition, creativity and autonomy. Under career development plans, workers are more or less assured about their future. Other HRD mechanisms such as counselling, monitoring, quality of work life, etc., enable workers to lead an integrated life which is mostly partitioned by the factory system into two lives; the organisational life and the personal life.

**3. HRD is needed to bring about system-wide changes:** Whereas traditional human resource development methods (such as training, job-rotation, etc.) have their relevance and usefulness, they are by themselves inadequate to bring about the kind of system-wide change which is visualised in the concept of HRD. In traditional methods often top management personnel have the attitude that all is well with themselves, and it is only the lower level which needs to be trained and developed. Such attitude makes these programmes ineffective because by keeping the interdependent and interacting higher levels out, these levels continue to remain plagued by forces of mistrust, jealousy and authoritarianism. HRD programmes bring about a system-wide change. They gradually enrich the entire socio-technical system.

**4. HRD is needed to develop a proper climate in the organisation:** No other traditional method can do this. Executives in most of the traditional organisations seem to hold the following values.

- (i) The important human relationships are those which are related to achieving the organisation objectives, i.e., getting the job done.

- (ii) For being effective in human relationships one needs to be more rational and logical in behaviour rather than emotion.
- (iii) Human relationships are most effectively motivated by carefully defined direction, authority and control as well as appropriate rewards and penalties that emphasis rational behaviour and achievement of the objective.

The above values when held by themselves lead to the following consequences :

- (a) Executives generally remain unaware of human problems of their subordinates because the latter suppress their emotions, disguise their feelings.
- (b) Decision-making becomes less effective because there is dropout off of experimentation and risk-taking with new ideas.
- (c) Conformity, mistrust, and dependence, specially on those who are in power, increase.

HRD develops a new climate in the organisation. It replaces the old values by new ones, people become more open, independent, authentic, creative and collaborative in their behaviour.

### 1.6.1 NEED FOR HRD IN THE INDIAN CONTEXT

With liberlisation of the Indian economy many changes are taking places in the corporate sector. Many public sector enterprises are being sold to private hands, there is increase in work load, ban on new recruitment, retrenchment of labour, imposition of voluntary retirement schemes and so on. The Tenth Five Year Plan (2002-2007) recommends reduction in the number of government employees at the rate of 3% per annum for 5 years during the plan period. According to one estimate 3.5 lakh workers have so far been retrenched in the public sector enterprises. This number goes up to 6 lakh if those who have left banks and other undertakings under various voluntary retirement schemes are also included. Retrenchment of this magnitude has adversely affected the women workers whose percentage in the total work force has now gone down from 11 to 5.8. There is pressure on the Indian industry to perform - produce quality goods and provide quality services. With increased competition there is need to become cost-effective and upgrade work methods, work norms, technical and managerial skills and employee motivation to face up to new challenges. HRD will have to play a very crucial role if the following changes which are sweeping through our industry are to prove successful:

**1. Restructuring of organisations:** Many Indian companies are restructuring their organisation structures by thinning their management ranks and expanding their spans of control. Seven layers in the pyramid and seven direct subordinates for each boss which used to be the historic norm for many large companies is becoming a thing of the past. Now the thrust is to flatten layers, expand spans and transform the organisational pyramid from tall and narrow to short and wide. Further, the traditional functional departmentalisations cast around development, manufacturing and marketing are giving place to departments focused on broad classes of products of 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 skill sets required of those heading the traditional functional units. Unlike the 'specialist' heads of functional departments these heads are required to be generalists who have working familiarity with engineering, manufacturing and marketing.

**2. Emphasis on core competency:** With the licensing era coming to an end in India, companies now no longer need to preemptively secure licenses in diverse and unrelated areas to

outwit their competitors. There is now a perceptible shift in favour of developing core competency through mergers and demergers. Companies want to professionalise their groups.

**3. Technological Changes:** Recent spurt in computerisation and technological upgradation is, on the one hand, streamlining process and paper work, increasing quality, service, speed and on the other hand making several jobs obsolescent. Many companies which realise that they are not adding value in all functional areas are increasingly outsourcing all but the most critical functions. With the advancement in tele-communications, employees can now work in their homes. Tele work, as it is called, has freed them from the trouble and inconvenience of travelling over long distances. Companies can also save on office space and overhead expenses. These changes may make workers redundant at some places. The redundant workers every where need to be rehabilitated through training. The change has to be brought about with a human face. At this point, the HRD manager has a critical role to play.

**4. Workforce empowerment:** For the corporate democracy to become reality many companies are now vesting their employees with greater authority, expanding their job titles and increasing their accountability. In a country where the 'benevolent autocrat' has been the overwhelmingly preferred style real empowerment of the workforce is going to pose a big challenge for the HRD manager.

**5. More attention to special categories of workers:** With the special categories of workers such as physically handicapped, women, religious minority, backward and others forming the ever-increasing proportion of the total work force every year measures like flexi-time and tele-work are likely to assume greater significance. Flexi-time permits workers to start, finish and take meal breaks according to their own liking within a flexible time band subject to a core time when every one has to be in attendance. This measure can help women workers to balance their job demand with their family demands. Similarly, tele work can be of great help to the physically handicapped.

**6. Compensation linked to shareholder value:** Top management compensation in U.S. firms is becoming increasingly tied to shareholder value through expanded use of share options. To cite an instance, as a new chief executive assumed office at Eastman Kodak in 1993, he received options to purchase more than 750,000 shares of Kodak stock, of little or no value unless the stock price increased substantially but potentially worth \$ 13 million to \$ 17 million if it did. Companies in India may follow these examples and link executive compensation to the production of greater investor wealth.

**7. Greater employee retention and commitment:** Employee retention has been at the forefront of human resource strategies in recent times. Worldwide, organisations seeking competitive advantage by leveraging human capital, have had to learn to hold on the best talents in the business. With the looming prospect of the labour market tightening further, organisations will be hard pressed to find enduring remedies to dysfunctional employee turnover. They will also have to sustain conditions that induce long-term employee commitment and membership behaviour. In a study of 7,500 large companies in 13 countries, conducted by the Walker Information and CSM Worldwide Network - an Indianapolis - based organisation it has been found that although in respect of "employees focus" (defined as the extent to which an organisation attends to the needs and wants of its employees) India ranks very high (third), but in respect of "employee commitment" (defined as the extent to which employees are behaviourally interested in and attached to the organisation) it ranks surprisingly very low (ninth). Long-term HRD interventions using behavioural understanding are, therefore, required to establish new work ethics and to build greater employee commitment.

**8. More research in HRD:** Continuous research is needed to discover new HRD methods and interventions. This is possible only when there are HRD-oriented organisations to pool and share their experiences in diverse areas.

## **1.7. DIFFERENCE BETWEEN THE TRADITIONAL PERSONNEL MANAGEMENT FUNCTION AND HRD**

1. While the traditional personnel management function is a routine, maintenance-oriented, administrative function, HRD is a continuous development function. It is, in fact, the expression of the unshakable belief of management of an organisation in the development of its human resource. The major attention of HRD is on improving the human processes.

2. While the traditional personnel function is seen as an independent function with independent sub-functions, HRD is viewed as a sub-system of a large system, viz., the organisation, and is supposed to be made up of mutually dependent parts. This means that the design of HRD cannot be considered in isolation. It must take into account its linkages and interfaces with all other parts of the organisation.

3. While the traditional personnel function is regarded as mainly a reactive function responding to the demands of the organisation as and when they arise, HRD is regarded as a proactive function. The function of HRD is not merely to cope with the needs of the organisation but to anticipate them and to act on them in advance in a continuous and planned way.

4. While traditional personnel function is supposed to be exclusive responsibility of the personnel department, human resource management is regarded as the concern of all managers in the organisation. In fact, HRD aims at developing the capabilities of all line managers to carry out various personnel functions themselves. It believes that functions like industrial relations, reward and punishment, performance appraisal, promotion, etc., should increasingly become the responsibility of the line people.

5. While the traditional personnel function takes a very narrow view of its scope and aims at developing and administering people only, HRD takes a much wider view of its scope and aims at developing the total organisation. The emphasis in the traditional personnel function is on increasing people's efficiency. The emphasis in HRD is on building the right type of culture in the organisation - a culture that can continuously identify, bring to surface, nurture and use the capabilities of people.

6. While the traditional personnel function considers salary, economic rewards, job simplification and job specialisation as important motivators, HRD emphasises the importance of higher order needs in motivating individuals. It considers informal organisation, autonomous work groups, job enrichment, job challenge and creativity as the main motivating forces.

7. While the traditional personnel function (with human relations orientation) considers improved satisfaction and morale as the cause of improved performance, HRD considers the other way round. It considers improved performance (due to better utilisation of human resources) as the cause improved satisfaction and morale as its results.

## **1.8 GOALS OF HRD**

HRD is needed by any organization that wants to be dynamic and growth oriented or to succeed in the fast changing environment. Organizations can become dynamic and grow only through the efforts and competencies of their human resources. HRD policies can keep the morale

and motivation of employees high, but these efforts are not enough to make the organization dynamic and take it to new directions. Employee capabilities must continuously be acquired, sharpened, and used. For this purpose an “enabling” organisational culture is essential. When employees use this 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 in terms 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.

## **1.9 HUMAN RESOURCE DEVELOPMENT AT MACRO AND MICRO LEVEL**

Human Resource Development (HRD) deals with the creating condition that enables 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 HRD efforts should aim to achieve.

At the individual level these goals may include developing capabilities for ensuring a happy and healthy living. The dimensions of such happiness may vary from individual to individual. They may include : a good education or skill base that may be the key to income generation and fulfillment of many other social needs; a good income base itself; self-respect; security, status and recognition in the society; good family; and a sense of belongingness to a group, society or organisation.

At the organisational level the goal of HRD is normally to have competent and motivated people (employees) to ensure higher levels of productivity, profitability and growth of the organisation. Organisations normally direct their HRD efforts towards the development of competencies, culture and commitment among employees individually or in groups. Organizations use many mechanisms to achieve HRD goals, as without competent and committed employees, organizations can achieve very little even if they have excellent technological and other resource bases. At the national level HRD aims at ensuring that people in the country live longer, live happily, free of disease and hunger; have sufficient skill base to earn their own livelihood and well-being; have a sense of belongingness and pride through participation in determining their own destiny. The promotion of the well-being of individuals, families and societies provides human resource agenda for all the countries the world over.

The most important and common objective of HRD at all levels is ‘competence building for a healthy and happy living’. Competencies help people to bring happiness to their lives. They are the best possible means to achieve a variety of goals. They are also powerful means for income generation and upgradation of quality of life in the family, organization or country. Thus HRD is concerned with development of people. It is a ‘people oriented concept’, which means that people should be developed in the larger and national context (Macro) in the organizational level.

### **1.9.1 MACRO LEVEL**

At macro level, Human Resource Development is concerned with the peoples’ development for nation’s well-being. It takes wealth, capabilities, skills, attitudes of people which are more useful to the development among them and the nation’s overall development as well. While calculating the national income and economic growth prospective Human Resource Development concept examines the individuals’ incomes, their attitudes, aspirations, etc., and establishes

concrete base for the economic planning and measures to control inflation. This becomes possible only if the development of Human Resource of whole nation is taken care of. However, Human Resource Development's contribution at Macro Level is not popularised. It is at Micro and more so it is only at corporate level that Human Resource Development has become famous over the years.

### **1.9.2 MICRO LEVEL**

Human Resource Development has great concern for grassroot development in the organisations. More so it is well received by companies Managements as they realised its importance and foresaw its future contribution to the individual and organisational development.

Generally Human Resource Development at micro level talks of the organisation's manpower planning, selection, training, performance appraisal and development, potential appraisal, compensation, quality circles, organisational development, etc. Human Resource Development's involvement in all these areas is mainly with an objective to develop certain new capabilities in people concerned to equip them perform present job in a better way and to accept future job challenges. For example framing manpower policies should give scope for employees advancement in future. Keeping future requirements and development in view. Further people thus selected should be provided with an opportunity to acquire newer capabilities. Hence it is necessary to provide training facilities. Opportunities also should be given to employees to know themselves and where they stand in terms of job requirements. This exercise is called potential appraisal. Further they should also be made known about their performance in present job compared to what they are supposed to. As a new technique - quality circles play very vital role in effecting the employees. Quality circles makes employees psychologically feel that they are part of organisation and they have identity in it. Organisational Development means development of organisation in terms of adaptation, change technologies, people and the society. Bennis Warren, G. States it as 'response to change' and defines it as "a complex educational strategy intended to change the beliefs, attitudes, values and structures of organisations so that they can better adapt themselves to new technologies, markets and challenges and the dizzying rate of change itself So, the organisation must strive hard to capture the fast moving society, technologies and the structure of its neighbouring organisations and equip itself with all the capacities to follow them quickly in order to place itself on the competitive path. Human Resource Development helps for organisation development through all the above employee concentrated areas which are more important to organisation development. But the slight variation between Human Resource Development and organisation development is that Human Resource Development believes in acquiring new qualities in employees whereas organisation development is based on the Organisational Behaviour.

## **1.10 SUMMARY**

The basic assumptions underlying HRD is that most people joining organizations have inherent desires to continuously improve the quality of their lives, to learn more, and to be better performers in future. To meet these expectations, the organization needs to adopt positive practices to identify the development needs and to bridge the possible gaps on a continuous basis. To get the best out of this process, in a non threatening manner, the organization should be able to evolve a conducive, positive culture. This would certainly call for reorientation in approaches to HRM and HRD policies and practices. One of the most important tasks, for organization which are interested in this reoriented approach to HRM and HRD is develop an organisational philosophy in the area of human resources. An organisational philosophy regarding HRM is an important link for employees to

understand the organization and for the organization to communicate effectively with the employees. In other sub systems which needs to be commonly shared by all members in the organization, a broad 'umbrella philosophy' based on the renewed understanding of human behaviour will ensure that the various policies and systems in HRD area are meaningfully linked to each other and HRD gets an important position within the comprehensive HRM.

Only when such philosophy is accepted, the organizations will be able to take full advantage of the changed orientation in HRM and HRD. The new HRM practices which will emerge then would have both the external and internal aspects of work built into it. The various sub-systems of HRD such as training and development, performance appraisal, career planning, organization development, industrial relations, employee participation and discipline management will then get devoted to the broad HRM Philosophy leading to meaningful inter-linkage. A meaningful coordinated HRD within the broad framework of an accepted philosophy will certainly bring about greater employee satisfaction and organizational effectiveness.

HRD at macro level is concerned with the peoples' development for nations' well-being. It takes wealth, capabilities, skills, attitudes of people which are more useful to the development among them and nation's overall development as well.

HRD at micro level talks of organization's manpower planning, training, performance appraisal, development potential appraisal, organization development etc. Its involvement in all these areas is mainly with an objective to develop certain new capabilities in people concerned to help them perform present job in a better way and to accept future job challenges for the betterment of themselves and organization.

## 1.11 KEY WORDS

**What is HRD ?** : HRD is a continuous process of enhancing the capability of human being and helping them to change their attitude to give best results in an organisation.

**Why do we need HRD** : Organisation is a group of people and the people high potential resources. To optimise these resources and to make organisation more effective it is necessary to have HRD system.

**How does HRD work ?** : HRD works at all levels. The analysis of management philosophy helps in designing HRD strategies and its implementation. It is a combination of training and development process.

## 1.12 SELF ASSESSMENT QUESTIONS

1. Define HRD and the concept of work ?
2. Define HRD and explain its characteristics.
3. Describe the need for HRD. How does HRD differ from traditional personnel management?
4. What are HRD processes ? Describe them in detail.
5. Differentiate between macro and micro HRD levels ?



### **1.13 FURTHER READINGS**

Pareek, U., and T.V. Rao, *Designing and Managing Human Resource Systems*, 1981, Oxford, I B H Pub. Co. New Delhi.

Rao, T.V., and D.F. Perira, *Recent Experiences in Human Resource Development*, 1986, Oxford & IBH Pub. Co., New Delhi.

Pattnayak Biswajeet, Harish C. Verma, *Human Resource Management*, 1997, Wheeler Pub., Co., Ltd., Chennai.

T.V. Rao (1996), *Human Resource Development Experiences, Interventions, Strategies*, New Delhi : Sage Publications.

Leonard Nadler (1980), *Corporate Human Resource Development*, ASTD - Wisconsin.

**Dr. M. TRIMURTHI RAO**

**LESSON - 2****HRD AS A TOTAL SYSTEM****LEARNING OBJECTIVE:**

After reading this lesson, the student is able to :

- \* Know the role of HRD in organisation.
- \* Study the history and philosophy of HRD.
- \* Visualise the HRD as a total system.
- \* Understand the approaches to HRD.

**LESSON STRUCTURE :**

- 2.1 Introduction
- 2.2 Role of HRD in Organisation
- 2.3 History of HRD
- 2.4 Philosophy of HRD
- 2.5. Importance of HRD
- 2.6. HRD as a total system
  - 2.6.1 Principles in designing the HRD system
  - 2.6.2 Focus of the HRD system
  - 2.6.3 Structure of the HRD system
  - 2.6.4 Functioning of the HRD system
- 2.7 Functions of HRD in Organisation
- 2.8. HRD Process
- 2.9. HRD Mechanisms / Subsystems
  - 2.9.1 Contribution of Mechanisms to HRD goals
- 2.10 Approaches to HRD
  - 2.10.1 Human Capital Approach
  - 2.10.2 Social psychological Approach
  - 2.10.3 The poverty Alleviation Approach
- 2.11 Summary
- 2.12 Self Assessment Questions
- 2.13 Further Readings

**2.1 INTRODUCTION**

An effective HRD system is perhaps the most important element in organizational effectiveness

which not only ensures present performance but also long-term survival and growth of the organization. While every other resource like technology, capital assets and even finance can be bought if one is willing to pay the right price, the only resource that cannot be bought is motivated human resource which can do not only to the growth of industries but to the economic growth of the country itself. Through systematic and effective human resources management/development system, Japan was able to convert ordinary people into extraordinary performers.

## 2.2 ROLE OF HRD IN ORGANIZATION

HRD acts as a catalyst in several organizational process aimed towards keeping the organization profitable and alive. It is an attempt to develop the entire human resource available within the organization to its full potential. It is essentially an enabling process and hence should be less visible and more effective. The level and nature of human resources directly indicates the level of commitment and the seriousness with which the issues of HRD is looked at in that organization. Besides, investment in human resources should be viewed as a long-term investment.

### HRD should play an effective role in :

- \* Optimising employees to grow with the organization.
- \* Enabling employees to grow with the organization.
- \* Helping in the congruence of individual aspirations and organizational expectations.
- \* Promoting collaboration team spirit by establishing a climate of trust, openness mutuality and interdependence.

As HRD cuts across various functions, it is necessary that its role encompass the entire organizational activities.

HRD should aim at maximizing the effectiveness of all the employees-both the unionized as well as managerial cadres. Even though there is an enhanced awareness amongst various industries about the importance of HRD, the efforts are focused only on the supervisory level. The impact of HRD so far on the worker level is very insignificant. It is necessary to deglamorise HRD to a large extent so that its role can also be extended to improve the highly motivated and committed workforce, any amount of effort towards improving the effectiveness of supervisors, in isolation may prove to be futile.

## 2.3 HISTORY OF HRD

The process of development had been different from time to time. Earlier it used to be the responsibility of the individual to develop himself on his own or under the guidance of 'Guru'. Training by 'Acharya, Maulvi or Priest' had been the instrument in past which made successful kings, warriors, courtiers, engineers and architects. Of course we may not have sufficient literature on their training and development techniques.

Industrial revolution gave a new dimension to the concept. The skilled artisans were developed through "learning while doing" or "on the job training" methodology. The process started increasing skill and knowledge of the worker and supervisors.

In West, the concept was first evolved by 'Robert Owen' who emphasized human needs of workers in 1803. He taught the work place cleanliness and improvement methods. 'Andrew Ore' emphasized the need of welfare activities to improve the worker efficiency.

The need for the excellence witnessed the birth of schools and institutions for apprentice training from 1800 onwards. Mechanics Library was formed in Boston in 1824.

The factory school was established by 'Westing House' in 1888 which was later on upgraded to train Engineers by 1898. General Electric (UK) also started its factory schools and gave momentum to HRD in the world scenario.

F.W. Taylor brought about revolution in management thinking. He stressed the inclusion of human values in management. Nineteenth century witnessed a drastic change in the field of HRD.

Various associations were formed to develop and promote this concept. The National Society for the Promotion of Industrial Education (NSPIE), The National Association of Corporation School (Now termed as American Management Association); National Vocational Guidance Association (NVGA) etc., took the lead in this direction and later on major corporations and firms started their own schools/institutions to provide part time training programmes to their employees.

HRD with emphasis on human values was later sparked by Elton Mayo's studies at 'Hawthorne' plant of Western Electric, 'Likert' also experimented and stated that better utilization of human resource is possible by treating them as human. HRD began to focus intensive supervisory training in human relation. Off site management and executive programmes grew in popularity. Even training for Government Employees was legitimised by Government Employees Training Act, (1958).

'Malcom Knowles' and 'Leonard Nadler' have contributed in developing this concept. Knowles emphasised human approach oriented learning instead of content centered and experimental instead of exclusively didactic learning. Nadler's writings made distinction between Human resource management and Human Resource Development. In fact he changed the classroom trainer to facilitator.

'Pareek' and 'Rao' of India made this concept more broad and omnibus. They have stressed upon the integrated approach to this process of HRD by giving due weightage to performance appraisal, training of individual and organizational development, feedback, counselling, career planning, potential development, reward etc.

HRD took up momentum in 1980's and experienced greater creditability. It is found as active catalyst for bringing out a change in occupational competence and in managing the Human relations.

## **2.4 PHILOSOPHY OF HRD**

One of the important processes of HRD, is to bind together the organizational values and beliefs which contributed to the organizational stability over the years.

Whether formally stated or otherwise, every organization is guided by a set of beliefs or philosophy. These generally represent the value systems and guiding spirit of the top management, tempered by experience and time. Where unstated or not consciously evolved as in the large majority of organizations, the guidelines tend to get blurred over a period of time. Other than in very small organizations, interpretation of the unstated guidelines becomes a matter of individual opinion, with considerable leeway for personal bias. Decision-making processes almost invariably develop a lack of consistency. The larger the organization grows, the more it begins to act like a conglomerate of several autonomous parts, rather than a unified whole.

Out of the several issues covered in the corporate philosophy significant people related issues are :

“Managerial effectiveness should be maximized by having an involved, committed and highly motivated team”. The team should be developed and sustained by,

- \* Building or acquiring the skills necessary to meet existing and long term organizational needs.
- \* Providing a favorable work environment and consciously fostering an open, largely participative management style based on trust and cooperation.

“Good employer - employee relations should be achieved and maintained through regard for basic human values”.

The Corporate Philosophy forms an effective backdrop against which several organizational processes, in the organization are being initiated and policy issues are being resolved.

There are four major tenets which form the core of the philosophy of HRD. They are:

**a) Human resources are the most important assets :**

It consists of a human approach towards employees and creating a family culture in which the employees not only works but lives to the ideals of the organisation.

**b) Quality :**

The ultimate gratification of the customer is the only way towards growth and prosperity. The quality of service is a major corner-stone of HRD philosophy.

**c) Integrity :**

Another major philosophy which serves as beacon to any organisation is the emphasis on honesty and integrity from all its employees and associates such as dealers, vendors etc.

**d) Technology :**

An organization must keep current in the latest technology, not merely for the sake of technology but as a means to better productivity and relief to employees.

**Some of the practical aspects of HRD Philosophy are :**

- \* Employees are to be adopted into the family and their welfare should be the foremost of the company's concern.
- \* Every individual has to be developed as a whole person and every person needs to be given opportunities for development.
- \* Retraining and multi-skilling should be an on-going responsibility of the company.
- \* The company needs to ensure a fair and reasonable compensation which will secure a decent standard of living for every workman.
- \* The reward system should be based on merit and contribution.
- \* The work place should be clean, healthy and congenial to work and the quality of work life is to be preserved.
- \* Forums should exist for frank and open discussions on work-related issues on a continuous basis.

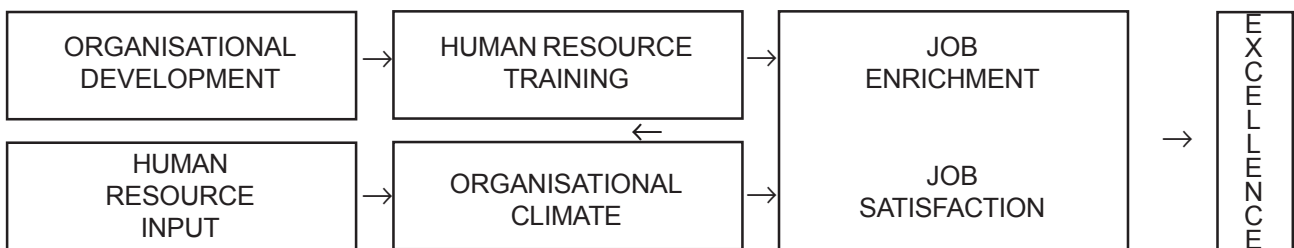
The belief that every person has potential which can be utilised for better productivity or

services has enabled to establish a process of converting this potential into reality. In this process the human being is continuously helped to acquire knowledge and skills and to change / adjust to the organizational culture.

**Therefore the basic concepts of HRD are :**

- \* To acquire capability to meet present and future job specification.
- \* To develop an organisational climate to bring about team spirit and group dynamism.

**BASIC CONCEPT OF HRD**



Though a balanced and more holistic view of HRD has not yet been conceived by present management systems, efforts are being made to synchronise three basic elements of HRD are (i) Training, (ii) Education and (iii) Development to fulfil desired objectives. Training and education can be appraised immediately by simple question and answer approach but development evaluation needs ability to predict the long-term results.

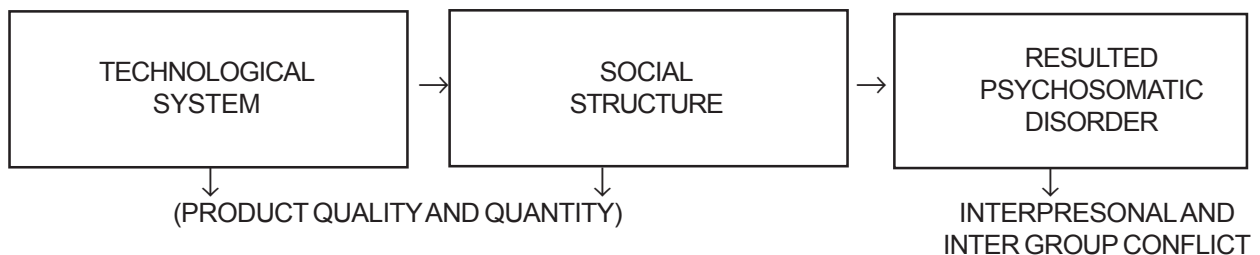
A realistic and long term HRD plan appears to be difficult but if planned properly, funded adequately and supervised minutely, implementation of HRD practice helps the organization to grow fast.

**2.5 IMPORTANCE OF HRD**

Organisations are for the human-beings to be managed by human beings using machine, material, money and technology. Thus the output of any organization is going to be affected by human skill, knowledge and attitude, technological sophistication, materials and money allocations and the resulted conflict or frustration.

‘Phil Herbst’ expresses three basic elements of this process in terms of :

- a) Technological system
- b) Social Structure and
- c) Resulted psychosomatic disorder in a given model.



He experienced that the physical and mental health of a human being influences the quality and quantity of the product produced while his behaviour and the attitude directly affects the output. Hence human resource, is most vulnerable element in the effectiveness of the organisation.

After the industrial revolution, the size of organisation and the technological progress kept on increasing to meet the challenges and so has been the increase of human resource and its competence. These development called for more subsystems of human beings in an organisation further necessitating the study of interpersonal behaviour, group dynamics and team building concepts.

The size and age of the organisation with pressure of demand also started developing task oriented approach and relations started deteriorating which slowly developed unadaptive and unresponsive attitude of the employees and obvious resentment of any change.

Slowly materialistic advancement and standard of living raised aspirations of the employees irrespective of their contribution of the organisation. As a result, they started developing frustration. Social structure and economic imbalance blended with politically centered leadership, developed insecurity and fear at grass-root level and gave a jolt to unions and God Fathers.

The proprietary management style of Indian organisation received shock due to growing literacy amongst workers and awareness of the laws and rights amongst the employees as a whole.

All such factors along with the need to realize the human values forced the economists, social scientists, behavioral scientists and philosophers to evolve the method to correct the attitude of human being to harness their potential and bring industrial harmony.

The process developed to achieve the above goal is HRD process. But HRD does not mean the development of individuals only. It is also for effectiveness of the organisation through development of human being.

Hence HRD is a must to :

- a) Increase the competence of individual
- b) Increase the dynamism of the group/team
- c) Increase effectiveness in the organisation
- d) Develop organisational climate and work culture
- e) Bring out industrial harmony
- f) Prepare for the future challenges

### **2.5.1 AIMS OF HRD**

Any activity, before its start, must have clear objective (s) or aim (s). The quality of human resource in a society operates as major determinant of economic growth or development. Hence development of human resource becomes an objective by itself. At the same time the society has to provide all possible opportunities and facilities to enable an individual to attain his / her best. Therefore, the aims of HRD should also be spelled out before taking up to development actions.

Based on its basic concept we can list out the aims as below. Of course the list can be shortened or increased depending upon the organisational policies, strategies, fund allocation (investment on HRD) and objectives.

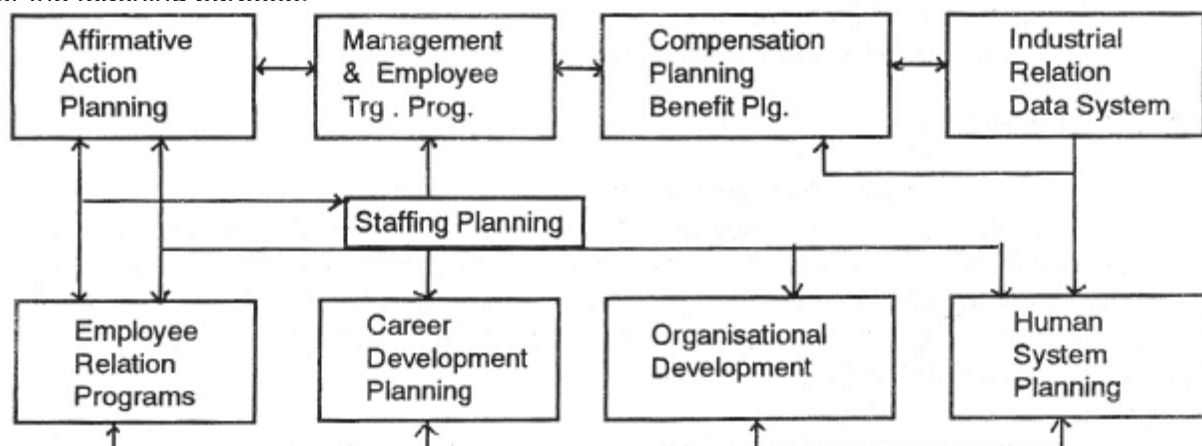
- 1) Improve performance of individual on present job.
- 2) Improve competence of individual to perform future jobs.
- 3) Improve group dynamism and effectiveness
- 4) Improve individuals attitude
- 5) Integrate goal of individual with the goal of the organisation
- 6) Optimise the available human resource in an organisation.
- 7) Encourage creativity
- 8) Provide opportunities and facilities to individual for full expression of their latent potential.
- 9) Improve interpersonal relationship and work culture.
- 10) Bring industrial harmony.
- 11) Increase productivity.

In short it should aim at not only improving an individual. But the organisational climate and inculcate human values in the organisation apart from alining at the productivity and growth.

## 2.6 HRD AS A TOTAL SYSTEM

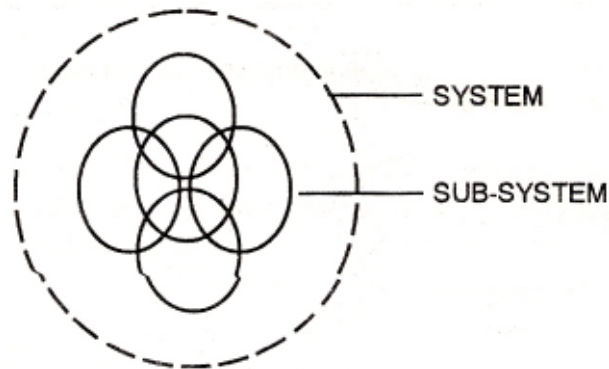
The human resource development is a system by itself its prime objectives is to have an organisation which takes care of recruitments, staffing, training and development of the employees in accordance with the set objectives of the organisation. The HRD Department thus constantly strive at these functions through its subsystems.

The inputs like new recruitment, when processed through its initial training, familiarization programme becomes outputs to the organisation. These are termed as human resource assets to the HRD Department. During each process through subsystem the employees are processed through one to other and output of one become input to the other subsystem. Therefore the quality of the output directly affects the input of the other and in turn its output. The figure below is a conceptualization of an HRD Department as system taken from Trining and Development Guide for the teaching purpose.





'Kosi' and 'Rosenzweig' have defined the system as an organised unitary whole composed of two or more independent subsystems delineated by identifiable boundaries from its environmental supra-system.



A system therefore consists of several subsystems which are interrelated or integrated and also interdependent. HRD is a system by itself.

### 2.6.1 PRINCIPLES IN DESIGNING HRD SYSTEMS

HRD system must be designed differently for different organisations. Although the basic principles may remain the same, the specific components, their relationships, the processes involved in each, the phasing, and so on, may differ from organisation to organisation.

Designing an integrated HRD system requires a thorough understanding of the principles and models of human resource development and a diagnosis of the organizational culture, existing HRD practices in the organisation, employee perception of these practices, and the developmental climate within the organisation. The following principles related to focus, structure, and functioning should be considered when designing integrated HRD systems. (These principles are adapted from Pareek and Rao, 1981.)

### 2.6.2 FOCUS OF THE HRD SYSTEM

- 1) **Focus on enabling capabilities:** The primary purpose of HRD is to help the organisation to increase its “enabling” capabilities. These include development of human resources, development of organisational health, improvement of problem-solving capabilities, development of diagnostic ability so that problems can be located quickly and effectively, and increased employee productivity and commitment.
- 2) **Balancing adaptation and change in the organisational culture:** Although HRD systems are designed to suit the organisation culture, the role of HRD may be to modify that culture to increase the effectiveness of the organisation. There always has been a controversy between those who believe that HRD should be able to change the culture. Both positions seem to be extreme. HRD should take the organisation forward, and this can be done only if its design anticipates change and evolution in the future.
- 3) **Attention to contextual factors:** 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 should be settled after consideration of the various contextual factors of the organisation its culture and tradition, size, technology, levels of existing skills, available support for the function, availability of outside help, and so on.

- 4) **Building linkages with other functions:** Human resource development system should be designed to strengthen other functions in the company such as long-range corporate planning; budgeting and finance, marketing, production, and other similar functions. These linkages are extremely important.
- 5) **Balancing specialisation and diffusion of the function:** Although HRD involves specialised functions, line people should be involved in various aspect of HRD. Action is the sole responsibility of the line people, and HRD should strengthen their roles.

### 2.6.3 STRUCTURE OF THE HRD SYSTEM

- 6) **Establishing the identity of HRD:** It is important that the distinct identify of HRD be recognised. The person in charge of HRD should have 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 of the organisation.
- 7) **Ensuring respectability for the function:** In many companies, the personnel function does not have much credibility because it is not perceived as a major function within the organisation. It is necessary that HRD be instituted at a very high level in the organisation and that the head of the HRD department be classified as a senior manager. Both the credibility and usefulness of HRD depend on this.
- 8) **Balancing differentiation and integration:** The human resource development function often includes personnel administration, humanresource development and training, and industrial relations. These three functions have distinct identities and requirements and should be differentiated within the HRD department. One person may be responsible for OD, another for training, another for potential appraisal and assessment, etc. At the same time, these roles should be integrated through a variety of mechanisms. For example, inputs from manpower planning should be available to line managers for career planning and to HRD units for potential appraisal and development. Data from recruitment should be fed into the human resources information system. If salary administration and placement are handled separately, they should be linked to performance appraisals. Differentiation as well as integration mechanisms are essential if the HRD system is to function well.
- 9) **Establishing linkage mechanisms:** HRD has linkages with outside systems as well as with internal subsystems. It is wise to establish specific linkages to be used to mange the system. Standing committees for various purposes (with membership from various parts and levels of the organisation), task groups, and adhoc committees for specific tasks are useful mechanisms.
- 10) **Developing monitoring mechanisms:** The HRD function is always evolving. It therefore requires systematic monitoring to review the progress and level of effectiveness of the system and to plan for its next steps. A thorough annual review and a detailed appraisal every three years will be invaluable in reviewing and planning. It may be helpful to include persons from other functions in the organisation in the HRD assessment effort.

### 2.6.4 FUNCTIONING OF THE HRD SYSTEM

- 11) **Building feedback and reinforcing mechanisms:** The various subsystems within HRD should provide feedback to one another. Systematic feedback should be designed for this purpose. For example, performance and potential appraisal provide necessary information for training and OD, and OD programs provide information for work redesign.

**12) Balancing quantitative and qualitative decisions:** Many aspects of HRD, such as performance and potential appraisals, are difficult to quantify. Of course attempts should be made to quantify many variables and to design computer storage of various types of information, but qualitative and insightful decisions also are necessary and desirable. For example, in considering people for promotions, quantitative data are necessary inputs, but other factors also must be taken into consideration. A balance is necessary.

**13) Balancing internal and external expertise:** A human resource development system requires the development of internal expertise and resources, specifically in content areas that are used frequently within the organisation. For expertise that is required only occasionally, the use of external resources or consultants may be the most feasible. It is necessary to plan for an economical and workable balance between the two. It is preferable to use internal personnel to conduct training; however, an organisation that uses only in-house expertise may not benefit from new thinking in the field. On the other hand, a company that relies solely on external HRD help does not develop the internal resources that are necessary for effective functioning.

**14) Planning for the evolution of HRD:** Various aspect of HRD can be introduced into the organisation in stages, depending on its needs, size, and level of sophistication. Some aspects may require a great deal of preparation. Rushing the introduction of an aspect of HRD may limit its effectiveness. Each stage should be planned carefully, with sequenced phases built one over the other. This includes:

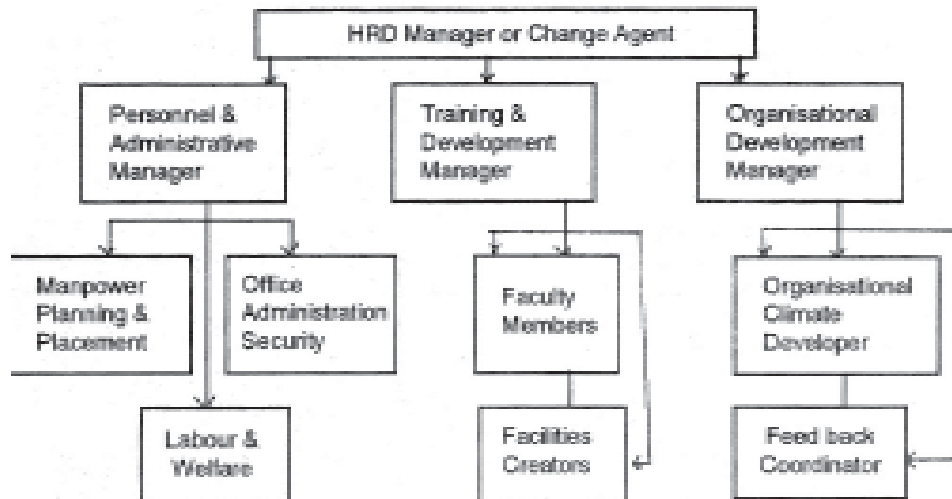
- a) Geographical phasing, introduces the system in a few parts of the organisation and slowly spreading it to other parts. This may be necessary in a large or widely located organisation.
- b) Vertical phasing introduces the system; at one or a few level(s) in the organisation and expanding up or down gradually.
- c) Functional phasing introduces one function or subsystem, followed by other functions. For example, introducing job specifications (identification of critical attributes of jobs) before introducing a complete potential-appraisal system.
- d) Sophistication phasing introduces simple forms of subsystems, followed after some time by more sophisticated forms.

## 2.7 FUNCTIONS OF HRD IN ORGANIZATION

HRD functions cannot be handled by Personnel Department or Training and Development Department alone. For effective implementation of HRD functions or to justify its aims or objectives, the organisation will have to organise the following functions simultaneously.

- |    |                               |   |  |
|----|-------------------------------|---|--|
| 1. | Personnel                     | - | Manpower recruitment, placement and welfare                            |
| 2. | Individual                    | - | Training, educational or personal development functions<br>Development |
| 3. | Organisational<br>Development | - | Creating HRD culture providing opportunities and facilities.           |

The co-ordination of all three, interdependence of these systems and feed back/ appraisal can only lead to real HRD work. Ideally three managers of each subsystem with one co-ordinator or a change agent form a strong HRD department.



### HIERARCHICAL STRUCTURE OF HRD

In some of the organisations the HRD manager holds the position of Vice President or General Manager (HRD) so that they are acceptable for implementation.

In India many organisations like IOC, TVS, Crompton, State Bank of India, BEML, L&T, National Fertilizer Corporation etc., have realised the necessity of separate HRD department and are being benefited. Even Government has opened a separate Ministry of Human Resource Development to implement HRD in Government establishments.

However, these managers must be positioned at higher levels in the organisational hierarchy. Their effectiveness will also depend on their personal competence, separate allocation of budget for HRD and resources. The openness in the organisation is the key factor in HRD.

## 2.8 HRD PROCESS

HRD process may be carried out using various mechanisms, depending upon (1) situation (2) organisational needs and (3) facilities available. Some of the examples are quoted here.

### i) Productivity :

If production have to be increased the first and foremost job of management is to focus on role clarity, performance appraisal and job analysis. The job specifications are thus to be compared with other development plans. In this case perhaps even positions will have to be created and filled.

### ii) Diversification :

In case of expansion or diversification apart from potential appraisal role clarity and job analysis; organisational development plans will have to be appraised and the development process will have to be supplemented with O.D.

### iii) Market Competition :

For coping with the change of marketing strategies organisations may have to reorient their managerial as well as operational staff without changing the positions or roles, appraisal system may be very useful.

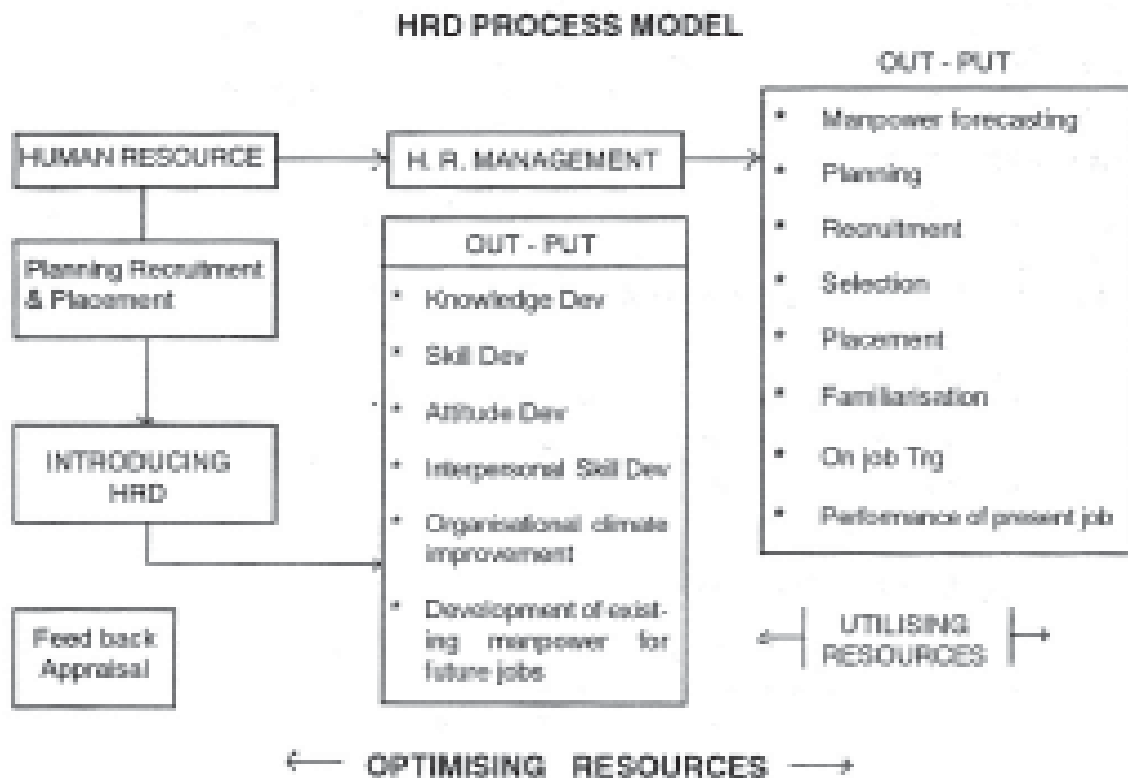
### iv) Technological Impact :

In case of change of technology or modernization training becomes essential. The development process may therefore create little vacuum and training period is critical in this process. Well designed succession plans or career paths are also useful in this situation.

### v) Organisational Development :

Changing management systems may require some facilities before development of human resources. Awareness of the systems and exposure to new change will require careful study of attitude and behaviour of employees before imposing the change.

Similarly depending upon the sensitivity of the situation, objectives and strategies of the organisation and the situation, the HRD process can be designed and implemented.



The model shows that HRD is limited to personnel management functions and preliminary finalization of training programme. But HRD process contributes to individual and organisational development.

In a developing country like ours the need for a systematic disciplines to develop various categories of human resources is inevitable. However to develop them we need to identify the capabilities of individual as well as the facilities and opportunities available before them, within the

framework of our socio-political and economic infrastructure.

The process of HRD, can therefore be defined as a series of related task that make up the established way of performing work within the boundaries of organisational objectives and facilities available including time and money.

HRD process therefore must be carried out by striking a balance between the needs of the individual organisation and the physical facilities of that organisation.

## **2.9 HRD MECHANISMS OR SUBSYSTEMS**

There are many instruments that can be used to facilitate HRD. These instruments may be called subsystems or mechanisms or techniques each of these subsystems focus on some particular aspect of HRD. To have a comprehensive HRD, many of these instruments may be needed to be used simultaneously. Any systematic or formal way of facilitating competency, motivation, and climate development could be considered as HRD instruments. The most frequently used HRD instruments are :

- a. Performance and potential appraisal
- b. Feedback and performance coaching.
- c. Career Planning
- d. Training - induction, on the job, and development.
- e. Organization development
- f. Reward.
- g. Employee Welfare and Quality of work life.
- h. Self-renewal and institution building.
- i. Personal growth laboratories and worker education programmes.
- j. Quality circles, task forces, and assignment groups.
- k. Managerial learning net works / human resource information. These will be discussed in detail in the following units.

### **2.9.1 CONTRIBUTION OF MECHANISMS TO HRD GOALS**

Each of the mechanisms contributes to the achievement of overall HRD goals. Performance appraisal focuses primarily on helping the individual development his present role. Potential appraisal focuses primarily on identifying the employee's likely future roles within the organization.

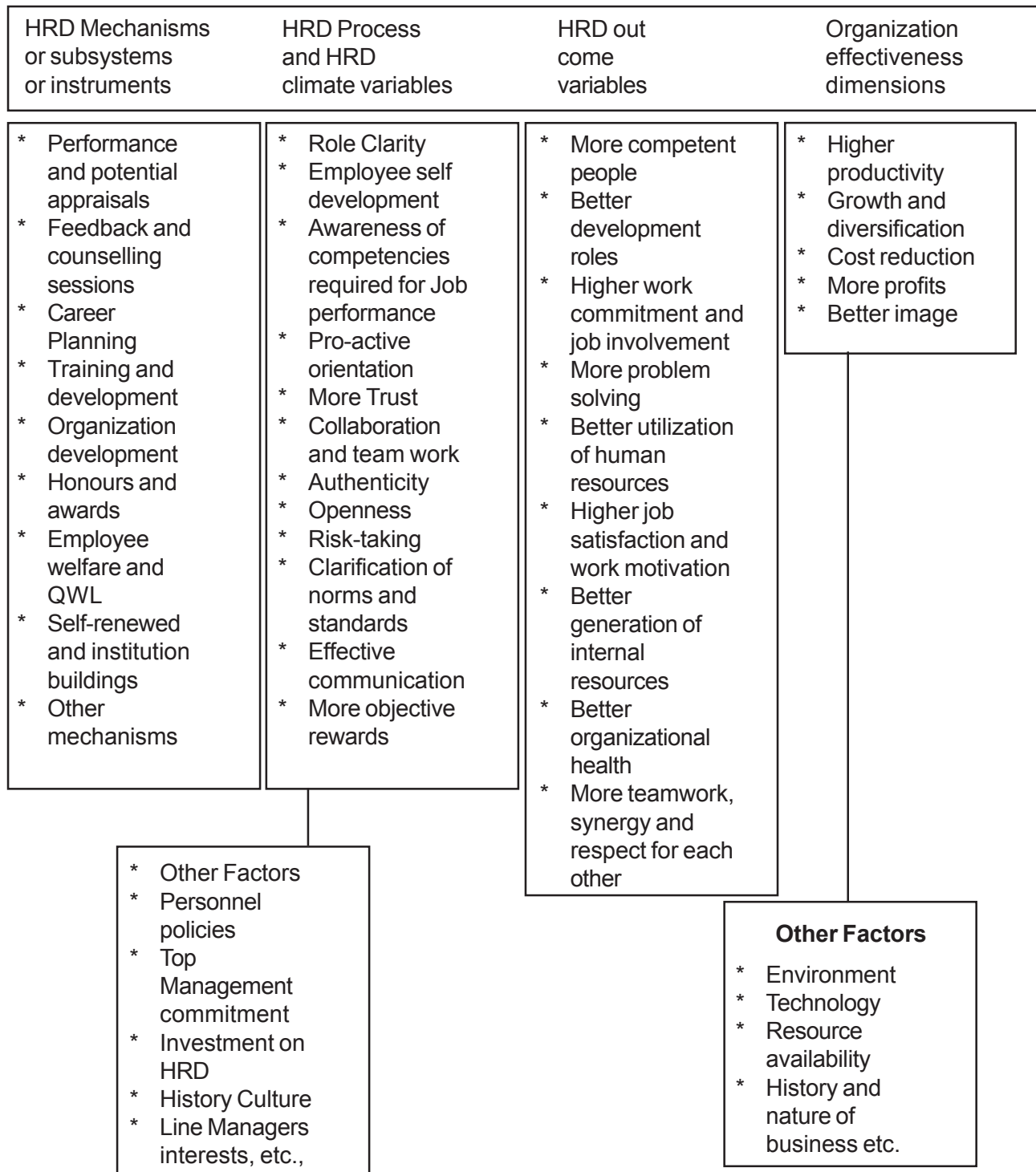
Training is a means of developing the individual's personal effectiveness or developing the individual's ability to perform the present job role or future job roles. Training can also strengthen interpersonal relationships and increase team work and collaboration. Feedback and performance coaching helps the development of the individual as well as relationships. Organisation development is the mechanism for developing team collaboration and self renewing skills. Efforts to promote employee welfare and ensuring the quality of work life, along with honours and awards, promote a general climate of development and motivation among employees.

For synergic benefits of interated subsystems, the HRD mechanisms discussed above should not be thought of in isolation. They are designed to work together in an integrated system. For example, the outcome of performance appraisal provides inputs for assessment of training needs, rewards, career planning, and feedback and performance coaching.

HRD instrument should lead to the generation of HRD process like role clarity, performance planning, development climate, risk taking and dynamism in employees, such an HRD process

should result in more competent, satisfied and committed people, who, by their contribution would make the organization grow, such HRD outcomes influence organizational effectiveness. A model explaining the linkages between HRD mechanisms, process, outcomes and organizational effectiveness can be presented in the following way according to Pattnayak and Verma (1997).

#### LINKAGE BETWEEN HRD MECHANISMS AND ORGANIZATIONAL EFFECTIVENESS



## **2.10 APPROACHES TO HRD**

The term human resource development and its alternate, human development, have come into popular usage in development literature, in the last decade. Prior to that, emphasis in development literature had mostly been on the term “human capital”.

Some agencies and individual writers according to Prof. T.V. Rao (1996) have made a distinction between human resource development and human development. For some, human development is a much larger and all encompassing concept, while HRD is limited to the skill development and knowledge acquisition often demanded by organisations for - employment purposes. According to Rao, they take a limited view of HRD and attribute it as relevant to personnel management practices of the organized sector. Such a distinction, however, is slowly disappearing with the realization that the broadness and all inclusive nature of the concept of HRD depends on the context in which it is used. For example, it may have somewhat restricted meaning when used in an organizational context, though even in an organizational context there is evidence of it being used in the same sense as in human development.

According to Rao (1996) there were three distinct approaches to human resource development in the 1960s and 1970s. Human Capital oriented, Social-psychology based and Poverty driven. These approaches are represented by ‘Schultz’ from the economic tradition, McClelland from the social psychology base and the World Bank. There are some similarities in these three approaches, for example, all three of them stress human competency development and the role of education in developing human competencies. These approaches are discussed in detail, an extraction from Rao’s book.

### **2.10.1 HUMAN CAPITAL APPROACH**

In economic terms, HRD in the early years (1950s and 1960s) was equated with human capital formation. Even this was recognized only after the economists in early years pointed out the importance of human capital.

Human capital consists of various activities. Schultz analysed five areas relating to health, on-the-job training, formal education, adult literacy programmes and migration. To this nutritional status also may be added. Schultz (1961) observed that:

“Although it is obvious that people acquire useful skills and knowledge, it is not obvious that these skills and knowledge are a form of capital, that this capital is in substantial part, a product of deliberate investment, that it has grown in Western Society at a much faster rate than conventional (nonhuman) capital, and that its growth may well be the most distinctive feature of the economic system. It has been widely observed that increases in national output have been large compared with increase of land, man-hours, and physical, reproducible capital Investment in human capital is probably the major explanation for this difference.”

Schultz further observed, “much of what we call consumption constitutes investment in human capital. Direct expenditures on education, health, and internal migration to take advantage of better opportunities are clear examples. Schultz felt that although economists have long known that people are an important part of the wealth of nations, they shy away from investments in man.

The mere thought of investments in human beings is offensive to some among us. Our values and beliefs inhibit us from looking upon human beings as capital goods, except in slavery, and this we abhor. We are not unaffected by the long struggle to rid society of indentured service and to



evolve political and legal institutions to keep men free from bondage. These are achievements that we prize highly. Hence, to treat human beings as wealth that can be augmented by investments runs counter to deeply held values. It seems to reduce man once again to a mere material component, to something akin to property. And for man to look upon himself as a capital good, even if it did not impair his freedom, may seem to debase him. J.S. Mill at one time insisted that the people of a country should not be looked upon as wealth because wealth existed only for the sake of people. But surely Mill was wrong; there is nothing in the concept of human wealth contrary to his idea that exists only for the advantage of people. By investing in themselves, people can enlarge the range of choice available to them. It is one way Freemen can enhance their welfare.”

In a seminal paper published in 1961, Schultz presented several inferences supporting the linkage between economic growth and human capital. He argued that large differences in earnings between Whites and Blacks working on comparable activities, between those in South and North or West etc., are reflections of differences in education and health. For example he argued that most migratory farm workers earn very little as compared to others and they have virtually no schooling, are poor in health, unskilled and have little ability to do useful work. Presenting such examples, Schultz convincingly brought out the importance of investing in human capital over three decades ago.

An explanation offered by Schultz in his paper about the limitations of capital investments made available to poor countries is particularly note worthy. The new capital available to these countries from outside as a rule goes into the formation of structural equipment and sometimes also into inventories. But it is generally not available for additional investments in man. Consequently, human capabilities do not stay abreast of physical capital, and they do become limiting factors in economic growth.

On the basis of his analysis Schultz (1961) drew some policy implications.

1. Tax laws everywhere discriminate against human capital. The fact that it depreciates becomes absolute, entails maintenance, etc., is ignored.
2. Human capital deteriorates when it is idle because unemployment impairs the skills that workers have acquired.
3. Discrimination (social, religious etc.,) hinders the development of human capital.
4. Long-term private and public loans to students are warranted (banking and tax laws need changed).
5. Investments in health and education will help in reducing low earnings in future.
6. Assistance to and in developed countries should have a balanced focus on human capital formation.

Schultz concluded truly, the most distinctive feature of our economic system is the growth of human capital. Without it there would be only hard manual work and poverty except for those who have income from poverty.’

### **2.10.2 SOCIAL PSYCHOLOGICAL APPROACH**

David McClelland in his book, ‘The Achieving Society’, published in 1961 explained the factors contributing to the economic development of various countries in the early twentieth century and

even in the ancient history. Based on his analysis of children's stories and other popular literature of these countries, he concluded that those who have advanced economically showed evidence of achievement motivation (i.e., concern to achieve something of excellence, uniqueness of something different than anything before and to do better than before) in their languages and culture. His analysis suggests that the degree of challenges offered by the environment, child-rearing practices in the family, interaction patterns of parents with their children, in reactive factors associated with religion and social class, and core religious and social values, all influence achievement motivation, which in turn influences economic development (McClelland, 1961). On the basis of his analysis of various psychological, sociological, anthropological and other social science studies he recommends that those involved in development should pay attention to the effects of their plans which will have on the values, motives and attitudes of people because in the long run it is these factors which determine whether the plans are successful in speeding up the process of economic development. McClelland's conclusion is similar to that of Schultz, but goes one step further by suggesting how achievement motivation can be developed in people so that economic improvements can take place.

### **Achievement Motivation and Training for Economic Development**

Experiments by McClelland, Winter and their team in India and other developing countries suggested that an entrepreneurial spirit can be developed through achievement motivation, training given to the youth and adults (McClelland and Winter, 1969, Rao and Pareek, 1979). The use of achievement motivation, training in developing entrepreneurship has been proved beyond doubt by now at micro level, as several countries including India, the USA, Malaysia, the Philippines, the UK and various developing countries in the Asian region have successfully been using these modules to develop entrepreneurship (Rao, Wright and Mukherjee, 1988). Unfortunately no macro level efforts have been made till now to change the education system and influence the children from early stages. These have not also become part of plans because economists do not seem to have been impressed with either McClelland's analysis or his models.

### **2.10.3 THE POVERTY ALLEVIATION APPROACH**

A more recent approach to human development is poverty alleviation, a key focus of the World Development Report of 1980. This acknowledged the improvements that had taken place in some countries. However, it also identified the existing problems and argued that investments in human development are necessary to help the poor to help themselves. Significantly, and in contrast with the early approaches, the case made for human development is not only or even primarily, the economic one. Rather, the less hunger, fewer child deaths and a better chance of primary education are almost universally accepted as important ends in themselves (World Bank, 1980).

## **2.11 SUMMARY**

Successful organisations pay adequate attention to their human resource development functions. For the full benefits of HRD to be experienced, it must be introduced as a total system within the organisation. In addition, top management's commitment to the HRD system and its willingness to invest time and other resources is crucial; top management must make it obvious that the organisation's human resources are its most important resources. The values of openness, trust, mutuality, collaboration, and enthusiasm within the system should be recognised by every member of the organisation. If implemented properly, integrated HRD systems can contribute significantly to positive cultural changes, increased productivity, and excellence in organisations.

In sum the three approaches point out three dimensions of human resource development. These basic assumptions underlying HRD is that most people joining organizations have inherent desires to continuously improve themselves. Human capital approach establishes the importance on human competencies and their role in economic development. The social psychological approach highlights the motivation, attitudes and values are important variable in development. The poverty alleviation approach, while recognising the importance of human capital formation through education, health and such other programmes, suggests that state interventions are needed to develop people and alleviate or reduce poverty.

The current approaches to HRD incorporate many of the key dimensions of the earlier approaches and some aim to fuse the economics - dominated and social - welfare dominated concepts. The belief is that there is a need to reconcile and link approaches which emphasize the role of human resources as inputs into the development process and their contribution to economic growth and development.

## 2.12 SELF ASSESSMENT QUESTIONS

1. Discuss the history and philosophy of HRD.
2. HRD as a total system, discuss functions of the HRD system.
3. Explain various approaches to HRD ?
4. What is McClelland approach ? Is it relevant in Indian Context ?

## 2.13 FURTHER READINGS

T.V. Rao, Human Resource Development, Experiences, Interventions, Strategies, 1996, Sage Publications, New Delhi.

McClelland, D.C., The achieving Society, 1961 New York : The Free Press.

McClelland, D.C., and Winter, D.W., Motivating Economic Achievement, 1969, New York : The Free Press.

Schultz, T.W., Investment in Human Capital, 1961, American Economic Review, 5(1), 1-17.

Schultz, T.W. Investing in People, 1981, University of California Press, USA.

Schultz, T.W., Restoring Economic Equilibrium : Human Capital in the Modernising Economy, 1980, Oxford, Basil Blackwell.

World Bank, World Development Report, 1980, New York ; Oxford University Press.

Rao, T.V. and Pareek, U. (eds.) Developing Entrepreneurship Handbook for Policy Makers and Trainees, 1979, New Delhi ; T.V. Rao Learning Systems Pvt., Limited.

Rao, T.V., Wright & Mukerjee, Developing Entrepreneurial Skills Development Programmes, Resources Book for Technical and Vocational Institutions, London, Commonwealth Secretariat, 1988.

Pareek, U, and T.V. Rao, Designing and Managing Human Resource Systems, Oxford & IBH Publishing Co., New Delhi, pp-44-48, 1981.

**Dr. M. TRIMURTHI RAO**

**LESSON - 3****ACTIVITY AREAS OF HRD**  
**(Training, Education and Development)****LEARNING OBJECTIVE:**

After going through this lesson, you should be able to :

- \* Understand the activity areas of HRD.
- \* Know the importance of Training, Education and Development.
- \* Know the reasons for conducting HRD programs.
- \* Differentiate training, education and development.
- \* Visualise the HRD in India.

**LESSON STRUCTURE:**

- 3.1 Introduction**
- 3.2 Activity Areas of HRD**
- 3.3 Training**
- 3.4 Education**
- 3.5 Development**
- 3.6 HRD is not only for Employees**
- 3.7 Reasons for Training**
- 3.8 Reasons for Education**
- 3.9 Reasons for Development**
- 3.10 HRD in India**
- 3.11 HRD Challenges in India**
- 3.12 Summary**
- 3.13 Self Assessment Quotations**
- 3.14 Further Readings**

**3.1 INTRODUCTION**

HRD is concerned with focusing on learning experiences provided by organisations to achieve the goals of the organisations. There are three different types of learning experiences, and for convenience, they shall be labelled as 'training, education, and development'. They might have been called as X, Y and Z or I, II and III but using them with words already in HRD vocabulary defines them more precisely. These three are confusing and at times look like contradicting, so we must be careful in using and knowing precisely the definitions.

## 3.2 ACTIVITY AREAS OF HRD

The three activity areas or concepts can be compared by the following figure (Nadler 1980). To contrast them, and therefore to delineate more clearly among the three, we can look at them through four dimensions, focus, time utilizations, financial resources and risk. Focus is the major reason that the organizations decide to provide the learning experience. The focus can be on the present job (training) or on providing learning experience to individuals to prepare them for a future or different job (education). There is also the focus on the future of the organization, which may not be able to specify fully, though they know that the organization will change, and that learning experience can be helpful in preparing for the future. To be specific and precise training includes those activities that serve and improve an individual's performance on a currently held job or one related to it. Showing a worker how to operate a lathe or a supervisor how to schedule daily production are example of training. Education consists of activities that are conducted to improve the overall competence of an individual in a specific direction and beyond the current job. Seminars designed to develop communication or leadership skills fall into this category. Training and education both focus on either currently held jobs or predetermined different jobs within the organization. Development involves learning opportunities aimed at the individual's growth but not restricted to a specific present or future job. It prepares employees to keep pace with the organization as it changes and grows. Developing human resources has come crucial with the rapid advances in technology and the need for improved human relations within a organization also becomes increasingly significant.

### ACTIVITY AREAS OF HRD

	<b>Activity</b>	<b>Focus</b>	<b>Time Utilization</b>	<b>Financial Resource</b>	<b>Risk Level</b>
I	Training	Present Job/ Job on hand	Now/ on the job	Expense/ Investment	Low
II	Education	Future Job/ Responsibility for future	Soon/ on the future job	Short term expense	Medium
III	Development	Organizational Development Plans	Sometime/ almost impossible	long term Investment	High

Another dimension is that of time utilization. That is, when it is expected that the learning will be utilized. The provision of learning experiences require the availability of financial resources. A manager deals with two kinds of expenditure - expense and investment. An expense is incurred with the expectation that it will return a direct benefit to the organization. That is, if the manager authorizes payment for rent, he expects to have a certain amount of floor space available. Then there are investments, in which a investment will return something to the organization. However, there is hardly any organization which does not become involved in some form of investment. Some investments are low risk, as when an organization takes its excess cash and puts it into

quality bonds. High-risk investment include an organization's marketing a new line of merchandise or engaging in operations which have not been part of the organization's previous experience.

Now let us explore how these dimensions relate to the different kinds of HRD activities an organization can provide (Nadler 1980).

### **3.3 TRAINING**

The focus of training is on the job the employee now has. Such learning experiences are concerned with actual job performance. For positions which are highly measurable and clearly identifiable, it is fairly easy to specify the job and the performance outputs. For other positions, such as from supervisor it becomes more difficult to measure the exact job performance, though efforts are proceeding in this direction.

It is expected that the learners will use the training immediately, on the job. The time for utilization is immediate, or almost immediate. There may be a lag if the training covers a wide range of behaviours, some of which are occasionally performed. Still, the time emphasis is on immediate use.

Training is classified as an expense. An organization has the right to expect that if training was the reason for the programme, then there should be some return on the job now being done by the trainee.

Training is a low-level risk. This is not meant to deprecate it, it is not meant as a value judgement but as a comparison. Rather, as the organization expected a direct return. The risk of the expenditure is minimal ofcourse, not every training programme does produce a direct return. An organization may provide training for some employees, but then find the training cannot be used because of unforeseen changes in the processes, the materials or the market. There is some risk, but when the organization provides training, it is expected that it will be used; hence the low risk classification.

### **3.4 EDUCATION**

The focus of education is on preparing the employee to perform on a specific job or group of jobs, in the organization, in the future. It is still job related, but in order to differentiate it from training, the manager should recognize that the emphasis of education is on the individual preparing for a different job.

The most common use of education is to prepare an individual for a promotion. The future job already exists, or atleast the description of it exists so that both the manager and the individual have some agreement as to the performance to be required on the new job. In some cases, the new job is being acted by the incumbent; then it is much easier to identify the job behaviours expected.

The time utilization is the future, but fairly near future. However, it is also possible to have long range programmes continuing over several years as employees are being educated for new position. The more common practice is fairly short period of time between education and placement in the new petition.

**There are two possibilities for education :**

1. A definite job to be filled at a definite time.

2. A definite job to be filled at an indefinite time.

Obviously, the education for a job to be filled at a definite time can be more specific, and the risk level lower.

Education is an investment, though generally a short - term investment. If it falls into the second category above, it becomes a long-range investment. Usually, managers tend to provide education to an employee for a definite job to be filled at a definite time.

Despite all the good planning of managers, it is possible that an investment will not provide a return to the organization. An employee may be educated for a job which does not become available. This can occur in large organizations where there is extensive workforce planning bases on mobility within the organization and within a geographical area. However, the incumbent employee may not move at a planned time; the newly educated employee may not move at a planned time; the newly educated cannot be placed in a position which has not been vacated. The investment may also be lost to the organization in cases where an educated employee leaves to work for another organization.

Sometimes, as a result of the educational programme, it becomes apparent that the employee does not meet the performance standards for the new job and probably never will. These factors all contribute to decreasing the tendency to provide education. Other alternatives are to place unprepared employees on the job and then provide training, or to recruit from outside the organization.

Education is a medium-risk activity. It is expected to pay off, and a manager provides education with a high expectation of a return. Still, it is an investment, with all the risks attendant to an investment.

### 3.5 DEVELOPMENT

The focus of development is on the organization. It is based on the experience which has shown us that organizations must grow and change in order to stay viable. They must be able to move with the times. Amitai Etzioni has proposed a concept of entropy, which states that an organization (like a machine) will run down unless something is done to keep it stimulated. John Gardener has said the same thing about individuals and their continuing need for self-renewal. Gordon Lippitt has extended this concept to organization and indicated ways in which organizations can be self-renewing. Many of the writers on the subject stress the need for continual learning.

Development is concerned with providing learning experiences to employees, so that they may be ready to move in new directions that organizational change may require. Once a direction has been identified, and the organization plans to bring about specific change, training and education are more appropriate. At this stage, the need for development may be vague or unknown. What is clear is that the organization will be changing.

In some rare cases, the possible new jobs may be identified. However, they may be so far in the future, and with the specifics unclear, that the learning experience is directed more towards the purpose of development than toward training. Development should be undertaken without any specific job.

The time utilization for development is some time in the future. Indeed, the manager must be prepared for the eventuality that the learning may never be used. The purpose is highly future oriented. Even so, there are times when what is learned may become useful on the present job, or

on a job in the near future. That is fine, and should not be ignored, but the primary purpose of development is lost if there is an intent that what is learned will be used in the near future on a job.

Organizations are employing futurists, individuals whose major function is to help the organization see its way into the possible future.

When managers endeavour to prepare employees to cope with the future, the learning experience is in the realm of development. For each organization, the future is different, and change is erratic and at times very rapid. Managers are probably best able to deal with development if they think in terms of the time utilization being at least one year in the future.

Given this time dimension, it becomes apparent that development is classified as an investment. As differentiated from education, development is a long-term investment. When the learning is finally utilized, it may be so long after the time it was obtained that any direct evaluation is impossible. Therefore, like some other long term investments, the organization may have difficulty in establishing a cost benefit ratio for this type of investment.

Recognising the changes that occur in a society, production etc., the manager who provides development must deal with the possibility that this activity may never pay off. Learning may take place, but then the manager may decide to move in other directions for a variety of sound reasons.

Development is a high-risk level activity. The low-risk manager is less likely to provide for such - learning activities even though such a manager recognize the need for long-range planning for physical and financial resources. He may be less likely to see the need for long-range planning for human resources.

### **3.6 HRD IS NOT ONLY FOR EMPLOYEES**

HRD programs need not be limited to employees of organization. There is a segment of HRD which is concerned with providing learning experiences for those who are not employees. Such programs are conducted for a variety of reasons and in each case there should be a management decision to specifically offer the program.

There are many HRD programs for non-employees and the following are some indication of their variety and scope.

#### **3.6.1 CUSTOMERS**

Most of the learning programs for customers involve training. The objective is to enable the customer (or customer's employees) to more effectively use the service or product of the sponsoring organization. An obvious example is that of the telephone companies throughout the world. They will provide free of charge, training programs for employees of other companies on how to use the telephone, switchboard, and other telephone equipment.

For more complicated products, such as computers and some military hardware, it is almost automatic for the sales contract to include the provision that the contractor will provide training for the employees of the customer. In some situations, the supplying organization will provide this as a continuing service.

Many membership organisations provide some kind of training for members, chapter officer, and other non-employees of the organization. This is necessary if the organization is to meet its objectives, usually more through the efforts of the members and volunteers than through paid staff.



Education programs are those in which an organization reaches out to new markets and new potential customers. Education programs are provided to familiarize the customers with the product and its advantages.

The U.S. Government uses this approach, though possibly not often enough. The introduction of a new program sometimes is accompanied by an educational program. Attempts of this kind were coupled, to a degree, with the introduction of revenue sharing, or other programs involving citizens (e.g., customers).

### **3.6.2 RELATED COMPANIES**

Another kind of non-employee HRD program is that offered to employees of other companies who are in some way related to the sponsoring company. For example, the Whirlpool company manufactures a line of products which is sold under other brand names - a common practice. One of the major arrangements of this kind is with the international merchandising company Sears, Whirlpool provides training for Sears personnel at the Whirlpool facilities in Michigan so they can sell and service the appliances.

There are many similar examples of one company providing HRD for the employees of another related company. The range of programs and activities in this area is quite large and often difficult to identify. In some instances, the HRD unit is not involved at all and the activity is conducted by the marketing unit or even the production unit.

### **3.6.3 FRANCHISE OPERATIONS**

Franchising has become a major entry point for small entrepreneurs. The supermarket and similar forms of mass merchandising signalled the virtual disappearance of the "mom and pop" store so prevalent in earlier years. Although the stores disappeared, there were still Americans who wanted to be their own bosses in small businesses. The franchise became a new route. Major companies, with products ranging from food to mufflers, provided the opportunity for individuals with limited capital to provide services or products.

### **3.6.4 FAMILIES OF EMPLOYEES**

HRD experiences are provided for families of employees through scholarships and similar financial aid. For example, RCA offers 25 scholarships each year to employees' children for trade, technical, and vocational careers. There are many other companies with similar scholarships, as well as reimbursement for short-term learning experiences.

### **3.6.5 COOPERATIVE PROGRAMS**

Generally, though, the objective of the program is to prepare the individual to qualify for a job, at a later date, and usually with a different employer than the one who provided placement through the cooperative program.

The major focus of cooperative programs is for education - the preparation of the individual for a future job. Some times, these are also called work-study programs, as the student works and studies at the same time. The learner essentially belongs to another organization as a student and is not an employee.

## **3.7 REASONS FOR TRAINING**

There are some specific reasons for training. However, as managers are called upon to

make decisions regarding training, it is important to re-emphasize the reasons why management should support training.

### **3.7.1 DEFICIENCY IN PERFORMANCE**

When an employee is deemed to be deficient in performance, there are several possibilities. It may be that the HRU unit did not recruit and select as effectively as it should have. But even if the HRU unit has done the best possible job, there could still be a need for training. In future the manager might want to re-examine the standards and methods used by the HRU unit. For the present, the decisions may range from firing the employee, transferring him to another part of the organization, or providing training to enable him to perform effectively on the job.

Job performance includes not only output, but also interpersonal relations. This is a program area usually reserved for supervisors and managers, but HRD programs in interpersonal relations can be helpful at many levels of the organization, and can aid in improving job performance.

### **3.7.2 NEW PRODUCTS AND PROCESSES**

When managers make decisions to change some element of production, they should recognize that this can produce the need for training. The new product, particularly if it requires alteration in existing processes, may require a new kind of performance from employees. Before the change, the employees would presumably have been functioning at acceptable levels of performance.

### **3.7.3 NEW POLICIES**

Managers continually make decisions related to policy. These decisions, in the area of human resources, relate to employees, to non-employees, and to the community. Many of these decisions, regarding new policies in the organization, require some HRD action for implementation. Many policy decisions occur on day-to-day basis and have only peripheral relationship to HRD.

## **3.8 REASONS FOR EDUCATION**

Education consists of those learning experiences provided to prepare an individual for a different job. Given that definition, education is certainly something with which every manager needs to be concerned.

For managers in the government, non-profit organizations, etc., education is also a necessity. In the government, it is obvious and is a common practice, and despite the limitations in the Government Employees Training Act of 1958 and subsequent legislation and regulations, education does take place.

In non-profit organizations (e.g., labor unions, voluntary association) it is more difficult to find managers who support education. There are many reasons for this, but essentially it may be in the nature of the job of managers in those organizations. They must be much more "now" - oriented than "soon" - or "sometime" - oriented.

### **3.8.1 WORKFORCE PLANNING**

Workforce planning is a future-oriented activity. It seeks to identify how the needs of the organization for human resources will change in the future. The process assesses the needs against the availability of resources both within and outside the organization. Too frequently, the human resources needed are sought outside the organization. A sound education program can

meet the needs by encouraging internal mobility and providing the people who could move.

Peter Drucker continually reminds us that we are moving toward a knowledge society. More people will be involved in knowledge activities than in just physical activities in the course of business and industry. Managers who agree with this should be aware that this movement requires more education activities within organizations.

### **3.8.2 PREPARING REPLACEMENTS**

Education programs are designed to prepare replacements, in accordance with workforce planning. From the organizational point of view, it is important to have employees who have been educated so that they can easily fit into the new jobs. This takes time as well as careful planning.

### **3.8.3 CAREER PLANNING**

Career planning is the method by which the organization assists an employee to identify his personal goals as related to the possibility of growth within the organization. It is workforce planning from the viewpoint of the individual employee rather than the organization, but it is hoped that both goals will be congruent.

To have effective career planning, there must be a management decision that it is desirable. Then, this decision must permeate the entire organization. Without the active cooperation and participation of each level of management, career planning deteriorates into a paper exercise which raises expectation and produces frustration and mistrust.

Some education programs are short, but others may take place over a period of years. The American Oil Company, for example, has worked with the University of Chicago on a program to prepare a regional marketing manager to become an HRD manager. It is a long-range program taking place over several years.

## **3.9 REASONS FOR DEVELOPMENT**

Development consists of those learning experiences designed to prepare an individual for the future. It is not related to the present job of the individual, and it is not designed to prepare the individual for a future, definitely defined job. It is a type of sensitizing process. It is keeping individuals in a learning state so that they are ready to learn when new opportunities arise for training and education.

There are two directions for development. One is related to the organization. It is axiomatic that organizations must change if they are to survive. It has often been said they must grow, though Schumacher (small is beautiful) does not agree. There is general agreement on change. Organizations, no matter what they produce or the kind of service they provide, must be reflective of the society around them, and that is always changing. The sensitive organization looks for the change, and even tries to anticipate it. Marketing studies are commissioned, and there is constant research and development looking toward the future. The same future - oriented effort should be applied to the human resources. People should be provided with learning experience so that they are prepared to change.

The second direction is in terms of the individual. As indicated earlier, in our discussion of career planning, people change. At different stage of their life, they have different needs. Even the same information gets processed differently at different times.

### 3.9.1 UNFORESEEN ORGANIZATIONAL CHANGE

Toffler (future shock) has warned us of the rapidity of change, although there are some who still refuse to acknowledge this situation. It is a reality. Even Toffler's book, which was such a jolt when it was first published, is partially out of date now, just a few years later, as change has caught up with it.

Organizations have to prepare their workforce, particularly at the managerial level, to cope with unforeseen change. People need to be aware and ready to move, even though the direction of movement may not be clear at a particular time.

### 3.9.2 SENSITIVE TO NEW MOVEMENTS

Development experiences help keep employees sensitive to trends and movements which are future-oriented. There is much in the way of hard data which can be analyzed, but this is not the purpose of the development experience. It is to help employees recognize that the possibilities of population shifts, unpredicted technological developments, and national crises exist. Indeed, it is possible that part of our difficulty in 1973, when the oil crisis struck the U.S., was the lack of managers who had been exposed to development opportunities, and therefore were not prepared to deal with the unplanned.

Some organizations have tried to cope with this problem in a different manner. They have hired "futurists" whose function is to take the data and the possible trends and to help the organization "create scenarios for the future". These futurists are probably helpful in many in-company development programs. However, true development should not deal only with even the predictable or possible futures.

### Differences of Training, Education and Development

	TRAINING	EDUCATION	DEVELOPMENT
1)	Training consists of learning experiences which are concerned with actual job/performance (learning of present job)	Education consists of learning experiences (concerned with) to prepare an individual for a future or different job (learning of other related job)	Development is concerned with providing learning experiences to employees, so they may be ready to move in new directions that organisational change require.
2)	Training is a short tem process.	Education is a short term process. (Individuals preparing for a different job)	Development is a long term process. (learning not related to any specific present or future job)
3)	Training is the act of increasing the knowledge and skills of employee for doing a particular job. (Improved performance on the present job of the employee)	Training and Development Programms are conducted in the process of education. (Training and education are more appropriate)	Development is to develop managerial organisational talents. (General growth of the employee/ organisatin)
4)	Managers acquire technical skills of training subordinates	Preparation of employee for related jobs is not too distant a future	Managers get conceptual and theoretical Knowledge and Skill or managing. It is rarely used.
5)	Non-managers acquire technical skills and knowledge for a definite purpose.	The emphasis of education is on the individual preparing for a different job. (Eg: for a promotion)	Non-managers acquire technical sills and knowledge for long term purpose.
6)	It is primarily related with the job technical skill learning.	Time utilisation is future but truly near future.	It is mainly useful for long term management development process.

### 3.10 HRD IN INDIA

No other management concept has enjoyed such a high profile in recent times as Human Resource Development (HRD). The researchers and academics opine that it grew with the time and technology, like Organization Development (OD) and Management by Objectives (MBO)

Though the term HRD gained importance in practice there is nothing, new in India. There is no professional touch to the HRD departments in the organizations. The many advertisements in the news papers call for HRD people. After the US we find only in India the new designation to the training and development manger as Manager HRD. It is not practised with the changed role and theoretically in India.

In reality the HRD in India is very complex. Many organizations have adopted HRD after considerable celebrations, as a response to changing them. There are owners whose man management policies have been adopted with HRD, but who have not changed the name.

The contribution of behavioural scientists, researchers and academics in India who have developed concepts relating to HRD. In India we have a whole spectrum of HRD experience with traditional Indian approaches to people at one end and moden system approaches at the other. The traditional HRD concepts are old than many countries. They are nearly more than a century old a giant company like Tata Iron and Steel Company Limited the largest private sector company in India, or in a much smaller organizations like the Malayala Manorama, which is India's largest circulating newspaper; and in a number of other companies participation in the South.

The two approaches are not mutually exclusive, There are problems with the tradition as well as with modern categories. But both have contributed to development of the organization and employees. Under traditional as well as the modern approaches the HRD values help impart dynamism and vitality to organization that help tap the initiative and creativity to the workforce, through clarity of goals, result orientation and team spirit.

As the diverse experience of companies in India indicate, HRD finds, Eastern and Western ideas and systems of man management. The researchers in India also developed a concept of HRD in a comprehensive and meaningful way. In a number of Indian companies the systems model developed by Udaypareek and T.V. Rao was practised. There are a number of companies with healthy, HRD cultures which are much older than the systems model.

HRD in the Indian context has its roots as much in developments in the field of management in the west, as in indigenous tradition personalities and practices. The Western impact was felt in India at two levels, the political and the managerial.

The British rule left Indian Industry without an industrial culture. The Industrial growth had been still and at the dawn of Independence Indian businessmen thought and behaved like traders and commission agents rather than entrepreneurs and industrialists.

After independence the first Prime Minister of India, Jawaharlal Nehru introduced Fabian socialism, liberalism and the spirit of modern science. His ideas provide the backdrop for the HRD beliefs which emerged in a large number of public sector companies in India. It also explains how the public sector came to take the initiative in HRD by introducing Training and Development, Career Planning, Organization Development, Action Learning etc.,

Mahatma Gandhi provided humanistic values like trusteeship. They were immediately taken

and introduced by Indian businessmen like Birla which we call now social responsibility. The more relevant value which Gandhi gave to India was about the dignity of every human being and the importance of individual effort and integrity in changing the face of this country. Tatas anticipated the ideal of trusteeship and popularised it. Tata ventured and started many industries like steel and electricity much before the Government of India contemplated.

Development in the West particularly in the field of Behavioural Science inspired India. Ideas of men like Maslow, Argyris, Herzberg, McGregor have highlighted the need for motivation and integration of people and they came to be adopted in a number of companies in India. A number of quality of work life programmes were introduced, and the organization development movement which followed introduced concepts like collaboration, trust, confrontation seeking to replace the negative theory assumptions. The emphasis was on a positive outlook towards the employee's.

The HRD concept as it has emerged in India integrates ideas from the behavioural science and movement as well as recent developments which emphasise corporate culture. At one level, it asserts that human resources are the important assets of an organization and at the corporate level it stipulates that the company should have a clear mission and objective around which a corporate culture should be built, embodying values and ways of doing things which would exert influence on the individual's effort towards excellence. HRD policies would help integrate the needs and aspirations of individuals into the strategic objectives and the mission of the organization, while at the same time providing for individuals concerns and interests. Traditional Indian business houses made their contribution through informal cultures which integrated the employee into the organization. The Indian tradition tended to be paternalistic and was based on bonds of loyalty, which drew sanction from a type of social contract under which the employer was a father - figure for the employees and his family.

Today there is a change, industry has been thrown open to competition. There is great pressure now on keeping employee motivation high. And their pressure is coming from a number of directions. From the workforce itself, because educational and expectation levels are fast higher than what they were a few years earlier, from the sophisticated technology and introduction of liberalization, privatization and globalization calls for a high level of skill and responsibility in the worker, from the erosion of the loyalty and the high mobility of quality labour which is in acute short supply despite rampant unemployment. The foreign companies are entering into collaborations and multinationals are entering with globalization and they are increasing the competitive spirit. It creates the need to acquire and retain quality technologists and managers. The organizations, have been fearing under pressure to hold onto good people in order to be able to compete effectively, provide better service to customers and diversity.

In addition to the logical developments stemming from the training and development traditions, the liberalised industrial policy of the Rajiv Gandhi Government has at best been a catalyst in expanding the pace of HRD concept.

The HRD is not adopted as a long-term strategy by companies with problems. Even the successful companies feel the need for HRD as much.

In India there are organizations with strong HRD cultures based on the humanistic values. They are now consolidating their cultures by inducing HRD systems.

There are a number of corporate leaders whose commitment to HRD is authentic. Some are using HRD tools to bring about attitudinal changes in bureaucratic cultures. Others are trying to

infuse a new dynamism in their existing and new organizations through the spirit of involvement and HRD.

The leadership elements, in terms of commitment of the top leadership to valuer, is a crucial factor in the Indian context, HRD systems are being inducted by organizations for fostering such leadership values at all levels of management. A climate conducive to initiative and self-development is seen as a major motivational factor. HRD departments are focusing their alternation on the boss - subordinate relationships and team effort are seen a major contributors to motivation and moral. Thus the HRD effort will hopefully nurture more professional and effective management.

Rapid changes in almost all the industries, whether in telecom or upward mobility of people or computerization are impacting on the work scene. The workforce is better educated and even the illiterates have high aspirations for their children. The urban poor are joining the race for "more" consumer items, entertainment etc. Higher awareness and expectation levels can increase the sense of alienation particularly in large organizations, unless they consciously adopt strategies that minimise such complications. The traditional organizations are facing the problem of alienation, because they lost the pioneering zeal and sense of belonging down the line.

The organizations need high quality professionals to keep ahead of competition. Such professional are becoming increasingly choosy about the organization they join. The pressure for success in the market place is also a pressure for creating developmental climate for the company's human resources, because a bad image on either front does not attract high quality professionals.

HRD involves long-term perspectives which visualise change through involvement and ownership of such change by the participants. The new paradigm takes a positive view of people and their potential and tries to foster a climate conducive to growth and development.

Out of the key areas HRD needs to address is the much talked about "top management commitment". It would be too much to expect the internal HRD manager or even the paid consultant to get the CEO to interpret on his HRD values, there is need for using a number of ways to get the CEO analyse and where necessary, change the leadership styles.

In the Indian context learning systems are being overvalued as part of the HRD effort. Training methods are changing drastically, the new learning and development methods are an integral part of the HRD effort which is based on the premise that it is the participation of employees in the process of change that alone can result in a successful HRD climate.

The training of HRD professionals is not up to mark and there is no professionalism in the training. The HRD network in collaboration with the society for Applied behavioural Sciences (ISABS) initiated a three - phase programme for training HRD and OD facilitators, involving laboratory based learning, reading and action interventions, followed by review and reinforcement of the HRD skills.

Such training is a positive contribution. The amateur is giving way to professor.L. Nadler However besides system awareness, what the HRD profession needs urgently is people who are open to new initiatives and ideas, people who are willing to move themselves before they would change others, people with an understanding of human behaviour and maturity in handling interpersonal relationships.

Since all these attributes may not be available in a single individual, top management, need to spend a lot of time putting together and provide analogical, conceptual and planning inputs to the company.

Today the HRD manager has evolved from a purely administrative and maintenance function into a strategic function one that has a direct bearing on the present and future performance of the organization. At a time when change is catching up with organizations and the market place faster than they can reckon, it is important the new HRD man should be seen as an active facilitator in the process of imparting dynamism in the organizations.

The research role of the HRD manger is very crucial, although it is neglected. There are very few HRD professionals in the country who keep in touch with people in the organization as well as in the external environment. On the strength of their involvement with people at all levels and in all departments, such HRD professionals are in a position to provide counselling and the extra inputs to the individuals, outside the standardized programmes. They are in a position to provide feedback to the staff as well as to the management and bring about integration between the two by involving top management in a variety of organization wide activities.

In a few organizations, HRD men are involved in OD activities and provide feedback to their management on the emotional and cultural health of the organization through opinion polls, surveys etc., Such research feedback is important because organizations are in the business of developing new HRD systems. Many organizations seem to take HRD for granted. Several of them have taken decisions to place line managers as HRD managers. After they do that, they expect the HRD manager to design, implement and monitor HRD systems. HRD requires a deeper understanding of human processes including dynamics of personal growth, interpersonal relations, group dynamics and other aspects of organizational behaviour, HRD also requires capabilities to deal with human systems in organizations.

The managers coming from Line, Personnel, IR and Training functions do not have adequate knowledge and skill base of OB, psychology and human systems.

According to Rao if HRD profession has to move in the direction of professionalising itself more strongly the following needs to be done.

1. HRD Professionals possessing the competencies should demonstrate the use of their specialised competencies. They need to demonstrate that they make a difference in the organization and its functioning.
2. Research Studies should be undertaken to assess the factors contributing to the effectiveness of HRD managers with emphasis on their academic preparation.
3. CEO's and top managers should be sensitised to this new profession, its specialised competencies and requirements.
4. More and more avenues should be available to develop HRD managers interms of the competencies outlined earlier.
5. New packages of courses and course mix should be developed to develop HRD professionals.
6. Certification process should become rigorous.
7. A new certification process for organizations with respect to their HRD philosophy and implementation should be explored. Organizations should be given star ratings interms of their HRD practices.



### 3.11 HRD CHALLENGES IN INDIA

As discussed earlier HRD in Indian organizations has been in existence for some years and one can reasonably expect to delineate a representative India HRD model. The conventional personnel systems and management methodologies have been by and large, taken from the west which has resulted in certain gaps vis-a-vis indigenous requirements. Given the potential of HRD and the fact that HRD is yet to take a firm base in several medium and small organizations, there is indeed a need to evolve and popularise an Indian HRD model. While the cultural and operational values cannot be replicated in the Indian system, positive features which emphasise effective and harmonious group performance may need to be imbued in evolving such a model.

HRD should not also be confined to the status of being yet another specialist variation of personnel management, but encouraged to plan an innovative role in overall corporate management. Two directions seem relevant and challenging in the context.

HRD must focus on integrating technological factors with human, endowments and aspirations. The corporate ethos, work systems and personnel systems should be so shaped as to enable the individual to improve his technical and professional skills, contribute effectively to the organizations business and derive identification, self-actualization and rewards as a logical concomitant of the process. This requires that all employees must be developed to have a basic understanding of and identify with company's business, products and processes. The management in turn, must recognise that every employee will have the right and potential to contribute to corporate growth.

Yet another non-traditional, innovative role for HRD could be in the area of industrial relations. IR has been traditionally looked Upon as a "we - they" situation and as a reactive response to a grievance - just or unjust. With the HRD approach, there exists the potential to evolve policies which will provide more satisfying work, enhance opportunities for career growth, cut down unnecessary bureaucratization and alleviate the sense of frustration. However, to make any real advance in this area, we may be required to undo past mistakes, one of which has been to accept the trade union as the sole medium through which the management can communicate with workmen. It is essential for the management to establish other and more direct channels of communication with workmen. It is essential for the management to establish other and more direct channels of communication with workmen. This may lead to a confrontation with the established trade union, particularly if it is not forward looking, but this is probably the only opinion if the impact of HRD effect is to be felt directly on the workmen.

This inevitability leads us to the larger questions of developing an awareness about HRD as a national imperative, inflexible labour attitudes continue to act as major road blocks in meeting challenges of higher productivity and innovation which today's industrial world demands. It is unfortunate that perceptions of institutionalised class still tend to be overwhelmingly influenced by trade unions, motivating them to act with suspicion and difference to any moves by managements to initiate positive changes.

It is emphasised, time and again, that ours is a high cost economy - yet the root cause for this have rarely been dealt with candidly. Important factors which promote industrial growth and cost effectiveness are technological upgradation, employee retraining and redeployment. Sustained productivity increase and labour - management cooperation need to be actively tackled. It is indeed encouraging that HRD has been accepted by the government as the thrust area with a cabinet minister-in-charge of the subject and one can only hope that the government will take up a pragmatic, candid and objective review of requirements for an effective HRD programme.

It also needs to be realised that the legal and regulatory environment by itself acts as a disincentive to initiate major structural and administrative reforms needed to reorient the work ethos in the country. While on the one hand there is a lack of mandatory linkages between payments and productivity, on the other hand there are automatic linkages between salaries and cost of living. In such an environment, it is hardly surprising that organized work forces see little incentive to pursue productivity leaves little scope for enterprising managements to change the 'statusquo'. The rigid framework and policies governing management relations serves to shut all the possibilities and demonstrating the long term benefits of changes in the work ethos. A flexible and responsive legislation is conceived to encourage both labour and management to aim for technological and productivity improvements on a sustained basis.

The technology, productivity and prosperity are interrupted Indian industry cannot escape the imperative of keeping pace with the high-tech revolution which demands new standards of competitive efficiency. The governments liberalization privatisation and globalization concepts are encouraging collaborations, amalgamations and entering of multinationals into India and creating tough competition. It is essential that both management and employees welcome the associated changes and be willing to accept the need for sustained retraining and restructuring of skills to cope with the requirements of changing technology.

### **3.12 SUMMARY**

The distinctions among the terms "training", "education" and "development are more than semantics. Managers should become familiar with the meaning and practice associated with each term. Then, they should be prepared to ask their HRD people about each programme. Which is it, and why ?

### **3.13 SELF ASSESSMENT QUESTIONS**

1. Describe activity areas of HRD and define each activity area?
2. Define and differentiate activity areas of HRD.

### **3.14 FURTHER READINGS**

Leonard Nadler; Corporate Human Resource Development, 1980, Van Nostrand Reinhold, American Society for Training and Development, New York.

Robert L. Craig (ed.) Training and Development, Handbook, 1976, McGrawHill Book Company, New York.

**Dr. M. TRIMURTHI RAO**

**LESSON - 4****HRD CLIMATE IN INDIAN ORGANISATIONS****LEARNING OBJECTIVE:**

After going through this lesson, you should be able to :

- \* Know the General Climate in Organisations.
- \* Understand the Concept of HRD Climate.
- \* Review the Elements of HRD Climate.
- \* Measurement of HRD Climate in Indian Organisations.

**LESSON STRUCTURE:**

- 4.1 Introduction**
- 4.2 Definition of General Climate**
- 4.3 HRD Climate and Organisational Climate**
- 4.4 Elements of HRD Climate**
- 4.5 Measurements of HRD Climate**
- 4.6 Survey of HRD Climate in Indian Organisations**
- 4.7 What Contributes to HRD Climate**
- 4.8 Summary**
- 4.9 Key words**
- 4.10 Self Assessment Questions**
- 4.11 Further Readings**
- 4.12 Appendices**

**4.1 INTRODUCTION**

The HRD climate of an organisation plays a very important role in ensuring the competency, motivation and development of its employees. The HRD climate can be created using appropriate HRD systems and leadership styles of top management. The HRD climate is both a means to an end as well as an end in itself. In the recent past simple instruments have been developed to measure the HRD climate in organisations. These instruments are being widely used to assess periodically the climate, maintain profiles and design interventions to further improve it. This lesson presents a detailed conceptual background of the HRD climate, various research studies available

on HRD climate discusses instruments to measure HRD climate that is being used by different organisations. By the end of this lesson the reader should be able to use the HRD climate survey questionnaire to measure the HRD climate of his own organisation. Reader also will get an overview of the HRD climate existing in different organisations.

## 4.2 DEFINITION OF GENERAL CLIMATE

Perception about an organisation'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 organisational climate.

The term 'climate' is used to designate the quality of the internal environment which conditions in turn the quality of cooperation, the development of the individual, the extent of member's dedication or commitment to organisational purpose, and the efficiency with which that purpose becomes translated into results. Climate is the atmosphere in which individuals help, judge, reward, constrain, and find out about each other. It influences morale and the attitudes of the individual towards his work and environment.

Organisational climate has been a popular concept in theory and research, for sometimes and has received a great deal of attention in the past 25 years. Guion (1973) has stated that "The concept implied by the term organisational climate may be one of the most important to enter the thinking of industrial psychologists in many years".

Twelve reviews of climate literature have appeared since the mid-1960s. Though these reviews had been critical of the conceptualisation and measurement of the climate construct, they have resulted in a significant understanding of the concept.

Hellriegel and Slocum (1974) define organisational climate as a "set of attributes which can be perceived about a particular organisation and/or its sub-systems, and that may be induced in the way that organisation and/or its sub-systems deal with their members and environment". This definition implies that in the measurement of organisational climate.

- a) Perceptual responses sought are primarily descriptive rather than evaluative.
- b) The level of inclusiveness of the items, scales and constructs are macro rather micro.
- c) The units of analysis tend to be attributes of the organisation or specific sub-systems rather than the individual;
- d) The perceptions have potential behavioral consequences.

Schneider (1975) has prepared a working definition of climate:

"Climate perceptions are psychologically meaningful molar descriptions that people can agree, characterize a system's practices and procedures. By its practices and procedures a system may create many climates. People perceive climate because the molar perceptions function as frames of reference for the attainment of some congruity between behaviour and the system's practices and procedures. However, if the climate is one which rewards and supports individual differences, people in the same system will not behave similarly. Further, because satisfaction is personal evaluation of a systems practices and procedures, people in the system tend to agree less on their satisfaction than on their description of the system's climate."

By its very nature, climate cannot be described concretely. Some alternative characteristics

are as follows.

- Focus on results versus focus on following work
- Individual accomplishment versus member of the team
- Initiative and risk-taking versus not rocking the boat
- Individual gains versus enhancement of organisation objectives
- Tough mindedness versus dealing with people versus avoidance of unpleasant actions.
- The relative importance of participating management versus authoritarian management.

Schneider and Reichers (1983) outline a four-fold progress made in climate research. The climate approach to understanding how work context affect behaviour and attitudes is grounded in perception. It provides a much needed alternative to motivation theories as explanations for just about everything that happens to people at work.

A second advance in climate research has its focus on multiple level of analysis. While motivationists tend to concentrate on the explanations of phenomena from an individual's perspective, climate research tends to focus on aggregated or group level data to discover relationships between clusters of perceptions and organisationally relevant outcomes.

A third advance has been the clarification of the distinction between psychological climates and organisational climates. This distinction, first proposed by James and Jones (1974), and further clarified by Jones and James (1979), has gained general acceptance. Briefly, psychological climates are the summated, averaged meanings that people attach to a particular feature of the setting.

The fourth advance follows from the idea that people attach meaning to, or make sense of clusters of psychologically related events. People in organisations encounter thousands of events, practices and procedures and they perceive these events in related sets.

### **4.3 HRD CLIMATE AND ORGANISATIONAL CLIMATE**

HRD climate is an integral part of organisational climate. It can be defined as perceptions the employee can have on the developmental environment of an organisation. This developmental climate will have the following characteristics (Rao and Abraham, 1986):

- a) A tendency at all levels, starting from top management to the lowest level to treat the people as the most important resource.
- b) A perception that developing the competencies in the employees, is the job of every manager / supervisor.
- c) Faith in the capability of employees to change and acquire new competencies at any stage of life.
- d) A tendency to be open in communications and discussions rather than being secretive (fairly free expression of feelings)
- e) Encouraging risk-taking and experimentation
- f) Making efforts to help employees recognize their strengths and weaknesses through feedback.
- g) A general climate of trust

- h) A tendency on the part of employees to be generally helpful to each other and collaborate with each other.
- i) Team spirit.
- j) Tendency to discourage stereotypes and favoritism.
- k) Supportive personnel policies.
- l) Supportive HRD practices including performance appraisal, training, reward management, potential development, job-rotation, career planning, etc.

Organisations differ in the extent to which they have these tendencies. Some organisations may have some of these tendencies, some others may have only a few of these and may have most of these. It is possible to work out the profile of an organisation on the basis of these tendencies.

HRD climate contributes to the organisations' overall health and self-renewing capabilities which in turn, increase the enabling capabilities of individual, dyads, team and the entire organisation.

#### 4.4 ELEMENTS OF HRD CLIMATE

The elements of HRD climate can be grouped into three broad categories-general climate, OCTAPACE culture and HRD mechanisms.

The general climate deals with the importance given to human resources development in general by the top management and line managers. The OCTAPACE deals with the extent to which '**openness**', '**confrontation**', '**trust**', '**autonomy**', '**proactivity**', '**authenticity**', '**collaboration**' and '**experimentation**' are valued and promoted in the organisation. The items dealing with HRD mechanisms measure the extent to which HRD mechanisms are implemented seriously. These three groups were taken with the following assumptions.

- a) A general supportive climate is important for HRD if it has to be implemented effectively. Such supportive climate consists of not only top management, line management's commitment but good personnel policies and positive attitudes towards development.
- b) Successful implementation of HRD involves an integrated look at HRD and efforts to use as potential appraisal, career planning, performance rewards, feedback and counselling training, employee welfare for quality work life, job-rotation, etc.
- c) OCTAPACE culture is essential for facilitating HRD.

Such a culture has been termed as OCTAPACE culture in the past. OCTAPACE is an acronym for Openness, Collaboration, Trust, Authenticity, Proaction, Autonomy, Confrontation and Experimentation.

**Openness** is where people (individuals, dyads, teams and everyone in the organization) feel free to express their ideas, views, opinions and feelings) to each other, irrespective of their level, designation etc. There are no barriers to such expression. People are encouraged to express and are heard when expressed. Their views are taken seriously. Such an expression provides an opportunity for individuals to explore their own talents. The organization handles these expressions for discovering new ways of doing things, for discovering new potential and for taking actions that are based on the best talent of the organization. There are only some views that can finally be accepted and tested or put to action. That does not disappoint those whose views do not find their

way to action. They continue to contribute, as such, contribution is a way of life.

**Collaboration** is the culture where people (individuals, dyads, teams and the organization as a whole) are eager to help each other. There is a spirit of sacrifice for each other's and sake for larger goals. Personal power is played down and people are governed by larger goals like the goals of the organization, country and humanity at large. People are willing to go to any extent to help each other make sure that larger organizational goals do not suffer. Organizational goals particularly govern decision-making and people do not have narrow developmental or team loyalties. Fewer overheads are needed to resolve inter-departmental conflicts. The We Felling is of the highest order. Team spirit is high. Intra-departmental loyalties don't come in the way of inter-departmental collaboration. Cohesiveness of small groups has an enabling and empowering effect on building cohesiveness and the larger organizational identity.

**Trust** and Trustworthiness deals with a culture of people believing each other and action on the basis of verbal messages and instructions, without having to wait for written instructions or explanations. When people say that they will do something or promise to do something, it is simply relied upon. There is no need for extra monitoring and control. There are no overheads to check whether people are mean what they say. The word given by individuals, dyads or team is relied upon. In such a culture both trust and trustworthiness are of the highest order. In order to create a culture of trusting one another, a culture of trustworthiness is essential. If every individual becomes trustworthy, trust automatically follows. Trust puts the onus on the person who is the recipient of the promise or the word given. Trustworthiness puts the onus on the person who makes the promise or gives his word. Both the equally important and they are two sides of the same coin. One is required to build the other.

**Authenticity** is speaking the trust fearlessly and keeping promises once they are made. It is indicated by the extent to which people say what they mean and do what they say. In a way, it is the higher order than trust and trustworthiness. Individuals, dyads and teams can be counted upon not to make false promises. They never say, promise or commit things to please others. Whenever people speak they speak from their heart and are sincere in what they say. They also make full efforts to implement what they say and keep their promises. They do not need any follow-up and if they fail to do so, it is understood that it is because of extraordinary circumstances beyond their control.

**Proactive** culture is one that promotes initiative and explorations on the part of all individuals, dyads, teams and all employees. A pro-active culture encourages everyone to take initiative and make things happen. New activities and new ways of doing things are encouraged. Such pro-action may be in any area, including role-making (giving new interpretations to one's role in order to achieve organizational or team goals), role-taking (taking new initiatives, initiating new activities, changing old methods of work), work methodology, cost reduction, quality improvements, culture building, human resource management, etc. A proactive culture encourages people to undertake new activities.

**Autonomy** is present if every role holder in the organization, irrespective of the level has some scope in his or her job to use some discretion. The discretion may be in terms of work methods, decision-making, communication or any such area. Every employee should feel that he/she has the scope for some discretion in his job. There should be scope to choose one's activities and the role to some extent. It may be 10 per cent of the time or it may be 20 per cent. The higher the freedom to choose what one wants to do, or the way he/she wants to do things the higher the autonomy. This has been the highest in quite a few educational and research organizations.

**Confrontation** is the culture of facing issues squarely. Issues are talked about and discussed. There is very little or no fear of hurting one another. Even if one has to hurt each other, the issue is faced up to and not brushed under the carpet. People can be relied upon to treat issues as issues and not take them as a personal assault or get hurt. This culture enhances the problem-solving ability.

**Experimentation** is the orientation on the part of employees to try out new ways of doing things and experiment with new decisions. It characterizes a risk-taking culture in the organization. Without risks, there is no growth. Without experimentation, there is very little scope for renewal, rejuvenation and simplification of life.

Openness and confrontation go together. Autonomy and collaboration go together. Trust and authenticity go together. Pro-action and experimentation go together. These four pairs are the four corner stones of a HRD culture.

When these values are practiced in an organization, they become a part of life and are likely to get the best out of people. Human potential is likely to be developed to the maximum extent and the people's competencies are also likely to be utilized to the maximum extent.

#### 4.4.1 IMPORTANCE OF TOP MANAGEMENT STYLES

Such OCTAPACE culture can be built only by an enlightened top management. By top management here is meant that all those who are decision-makers and event makers in the organization. These include the owners, board, directors, unit heads, heads of departments and even sectional heads. It also includes office bearers of unions and associations. All heads of formal and informal organizations that have the capability, influence the course of action of the organization; its unit, sub-systems or functions, may be considered a top level manager. It is such influential people who set the tone for creating an OCTAPACE culture. They do it through the roles they perform or do not perform and the styles with which they perform the roles that they do. Their style of functioning has a larger impact on the creation of culture.

The conventional connotation with which the term 'climate' has been used in literature is 'Organisational Climate'. The concept of climate with specific references to HRD context, i.e. HRD climate, has been recently introduced by Rao and Abraham (1986). Perhaps it could be due to this reason that there is hardly any research work available in published literature.

### 4.5 MEASUREMENT OF HRD CLIMATE

Since the HRD climate is somewhat similar to the conventional organisational climate, an item-wise comparison of this questionnaire with four other questionnaires that measure organisational climate is presented in Appendix 1 in order to establish the content validity of this questionnaire. Thus, 16 out of 38 items of the HRD climate questionnaire, (Appendix 2) are exclusive to HRD climate; the rest being common with the items included in organisational climate questionnaire. These exclusive items are related to OCTAPACE culture which is specific to HRD climate. Thus, this questionnaire can be expected to measure HRD climate.

To establish the factorial validity of the 38 items instrument developed to measure HRD climate, factor analysis was conducted. Emergence of a single / few factors with large eigen value from among the 38 items is an indication of the factorial validity of the questionnaire. The results of the principal components method of factor analysis are presented in Table 1. (See Annexure 1)



The first factor accounts for 44.7% of variance of climate and nine factors explain 84.1% of variance of climate. Thus, with a reasonable degree of confidence, it can be concluded that this 38 items instrument is measuring climate well enough.

To understand various independent dimensions of climate these factors of climate are listed in Table 3. (See Annexure 1).

Thus these three dimensions seem to be related to counselling, autonomy and proactivity, training and philosophy. Thus, on the whole the climate is hypothesized to consist of major components, viz, general climate, OCTAPAC culture and HRD mechanisms (Rao and Abraham, 1986). This study points out that the climate has the HRD mechanisms / instruments as the major dimensions.

To establish the reliability of this HRD climate questionnaire, the internal consistency (that is, homogeneity of items) is tested using Cronbach Alpha. An alpha value of at least 0.80 indicates high consistency or internal agreement between an item and the entire set of all the items in the questionnaire (Guy et. al 1987). The Cronbach Alphas related to each item of the questionnaire is presented in Table 4. Since each alpha is large (greater than 0.80), it can be concluded that the internal consistency of this questionnaire is acceptable and that all the items proposed to be included in the questionnaire are necessary and dropping any one of them does not improve the internal consistency of the questionnaire.

To measure the HRD climate prevalent in any organisation, this questionnaire was administered to several managers in the organisation at various hierarchical levels. Each manager is required to score each of the 38 items on a 1-5 point scale. The average of the responses of all the managers is taken as item score for the organisation. Average of all the scores of all the items is taken as the HRD climate.

## **4.6 SURVEY OF HRD CLIMATE IN INDIAN ORIGINATIONS**

Several Indian organisations were surveyed for their HRD climate and data was collected from 2673 respondents from 52 organisations and the results of which are presented in page no ?

It is interesting to note that the average extent of climate prevalent in all the 52 organisations is about 54% which is rather low. To see which components are favorable and which are not, an item-wise analysis is conducted and results are discussed below.

The following are the items with respect to which the HRD climate is not favorable, i.e. the average item-wise scores are below 50%.

- a) The management goes out of its way to make sure that employees enjoy their work (Item No. 1).
- b) There are mechanisms in the organisations to reward any good work done or any contribution made by the employees (Item No. 15).
- c) Employees are encouraged to experiment with new methods and try out creative ideas (Item No. 19).
- d) When behaviour feedback is given to employees they take it seriously and use it for development (Item No.22)
- e) Employees in this organisation take pains to find out their strengths and weaknesses from

the supervising officers or colleagues (Item No. 23)

- f) Employees returning from training programmes are given opportunities to try out what they have learnt (Item No. 25)
- g) Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors (Item No. 30)
- h) Career opportunities are pointed out to juniors by senior officers in the organisation (Item No. 35)
- i) This organisation ensures employee welfare to such an extent that the employees can save a lot of their mental energy for work purposes (Item No.37)

The following are the items with respect to which the HRD climate is favourable, i.e., the average item-wise scores are above 60%.

- a) The top management believes that human resources are an extremely important resource and that they have to be treated more humanly (Item No. 2).
- b) People in this organisation are helpful to each other (Item No. 2).
- c) Promotion decisions are based on the suitability of the promotee rather than on favoritisms (Item No. 14)
- d) Performance appraisal reports in our organisation are based on objective assessment and adequate information and not on favoritisms (Item No. 17).
- e) When employees are sponsored for training, they take it seriously and try to learn from the programme they attend (Item No. 24).
- f) Employees are not afraid to express or discuss their feelings with their superiors (Item No. 28).

Thus it appears that there is a gap between belief and practice, at the top management level, though the top management believe that human resources are their most important asset, and yet they do not seem to do much in developing their human resources. Except for promotion decisions, the reward mechanisms are not seen to be favorably implemented. Though most of the organisations spend huge amounts of money on training and the employees also take their training seriously the organisation do not seem to be making any effort to make effective use of the investments made in training the employees by not assigning them the tasks related to the areas in which they are trained.

It is rather strange to note that HRD climate is open enough for the employees to discuss their feelings with their superiors, yet the employees are reluctant to accept the feedback given by their superiors and use it for their development. This indicates that the organisations are creating a climate for openness in so far as expression of feelings is concerned, but not for receiving the feedback. It is unfortunate to note that the organisations do not seem to be fostering any creativity and encouraging any initiative on the part of the employees to perform their own tasks.

It is surprising that, in general, the top management is not seen as going out of its way to make sure that employees enjoy their work (Item No.1 of the questionnaire). Several of the items for which the average is less than 50% (for example, Item Nos. 19, 25, 30, 35 and 37) together with the items for which the average is more than 60% (for example, Item Nos. 9, 24 and 28) indicates

that the employees, in general seem to be 'I am OK, you are not OK' type. A high score for Item No.2 (the top management believes that human resources are an extremely important resources and that they have to be treated more humanly) indicates that the organisations seem to convey to the employees of their 'good intentions'. However, the fact that 41 out of 52 organisations have their climate scores less than 60% indicates that the top management are yet to convince their employees of their 'good intentions' in deed. The only positive trend appears to be that the employees perceive performance appraisal for promotion decision as objectives.

Table 3 points out the proactivity and autonomy are among the major significant contributor to the climate. However, a perusal of Table 5 (Annexure 3) suggest that the related items (for example Item Nos. 25, 30, 19, 15, 22) score very low averages (less than 50%) in practice. The items related to other significant contributors like philosophy and counselling score averages in the range of 50 to 60%. Thus, there is a need of changing employees' perception. Also, there is scope for further improvement of climate in the organisations. In fact, the overall organisational climate is about 54% only.

Item-wise distribution of the organisation is presented in Table 6 (Annexure 4). It is interesting to note that none of these distributions, when plotted, are flat. This means that there are no contradictions in the climate prevalent in the organisations. It may be possible that the HRD practice in these respondent organisation is still in primitive stages and hence, the climate is in the process of being built up and therefore, perhaps overtime these distributions shift to the right. However, an explicit investigation to establish the cause for prevalent position should be carried out and action, if necessary, be taken to ensure a favourable shift to the climate.

#### 4.7 WHAT CONTRIBUTES TO HRD CLIMATE ?

The following factors may be considered as contributing to HRD climate :

- 1) **Top Management Style and Philosophy** : A developmental style, a belief in the capability of people, a participative approach, openness and receptivity to suggestions from the subordinates are some of the dimensions that contribute to the creation of a positive HRD climate.
- 2) **Personnel Policies** : Personnel policies that show high concern for employees, that emphasis equity and objectivity in appraisals, policies that emphasizes sufficient resource allocation for welfare and developmental activities, policies that emphasis a collaborative attitude and trust among the people go a long way in creating the HRD climate.
- 3) **HRD Instruments and Systems** : A number of HRD instruments have been found to generate a good HRD climate. Particularly open systems of appraisal with emphasis of counselling, career development systems, informal training mechanisms, potential development systems etc. contribute to HRD climate.
- 4) **Self-renewal Mechanisms** : Organisations that have built in self-renewal mechanisms are likely to generate a positive HRD climate.
- 5) **Attitudes of Personnel and HRD Staff** : A helpful and supportive attitude on the part of HRD and personnel people plays a very crucial role in generating the HRD climate. If the personal behaviour of any of these agents is not supportive, the HRD climate is likely to be vitiated.
- 6) **Commitment of Line Managers** : The commitment of line managers to the development of

their subordinates is a very important determiner of HRD climate. If line managers are willing to spend a part of their time for their subordinates, it is likely to have a positive impact.

## 4.8 SUMMARY

HRD aims at providing opportunities to individuals for full expression of their potential and focuses on the creation of values and culture conducive to individual growth in the organizational context. In other words, it works further creation of an enabling organisation and seeks to develop and manage human resources towards greater sharing of personal, social and economic values. The success of HRD in an organisation depends to a large extent, on the existence of a favourable HRD climate.

HRD is more personnel-oriented than technology-oriented and believes that participation and communication would bring about greater commitment, efficiency, and growth and individuals. Individuals performance can be improved by offering scope for proving his/her mettle and repose of trust by the boss. Increased group performance shall directly follow from encouragement of teamwork. Objective performance appraisal and fulfillment of needs will enable implementation of HRD mechanism. Participation in decision-making shall bring forth commitment in implementation. Broad supervision, freedom of operation, uninterrupted communication flow, and timely information will increase the individuals interest in the work-place thereby eliciting a higher level of performance.

## 4.9 KEY WORDS

**Openness** means the extent of willingness to share and receive information, ideas and suggestions with the employees. Existence of effective two-way communication system, house-organ, suggestion scheme etc., are its indicators.

**Confrontation** means the willingness to face and solve problems rather than to avoid them till they grow into a collective grievance. Willingness of executives to solve problems at the shopfloor level and to encourage workers to form Quality Circles and problem-solving groups is an indicator of this value.

**Trust** means the extent of faith which people have for one another. Loose or no supervision and organisation's trust in employees' words of self-certification indicate the presence of this value.

**Autonomy** means the degree of freedom enjoyed by the workers. Existence of selfmanaged teams, quality circles, flexible working time etc. are indicators of this value.

**Proactivity** means the tendency to think ahead of the problem. An organisation's plans and policies give an indication of this characteristic.

**Authenticity** means that people say what they mean and mean what they say. If the management preaches cost reduction and economy to its workers but practices extravagance its preachings will have no effect because they lack authenticity.

**Collaboration** means people's tendency to live and work together as cohesive groups. Existence of project organisation, team-building, common facilities like canteens and parking grounds, common uniforms for officers and workers etc. are indicators of this value.

**Experimentation** means the existence of supporting environment to take risk and innovate. Whether management encourages its employees to bring in improvements by recognising their good ideas or good ideas become victims of the "management by objections" system?

## **4.10 SELF ASSESSMENT QUESTIONS**

1. What is HRD Climate? What are its components? Describe the factors which determine HRD Climate. How does an organisation maintain its HRD culture ?
2. How far do you think are HRD practices culture-bound? Describe those characteristics of Indian culture which affect HRD practices in Indian organisations.
3. Describe OCTAPACE culture.
4. Discuss the effect of HRD climate on employee performance.

## **4.11 FURTHER READINGS**

Abraham, E, HRD Climate in Banks' in Anil Khandelwal (ed), HRD in Banks, New Delhi, Oxford and IBH 1988.

Guion, R.M. 'A Note on Organisational Climate', Organisational Behaviour and Human Performance, 1973 9, 120-125.

Guty, R.F., C.E. Edgley, I. Arafact, and D.E. Allen, Social Research Methods, Boston, Allyn and Bacon, Inc. 1987.

Hellriegel, D. and J.W. Slocum (Jr.) 'Organisational Climate : Measures Research and Contingencies', Academy of Management Journal, 1974, 19, 255-280.

James, L.R. and A.P. Jones, Organisational Climate : A Review of Theory and Research, Psychological Bulletin, 1974, 81, 1096-1112.

Jones, A.P. and L.R. James, Psychological Climate : Dimensions and Relationships of Individual and Aggregated Work Environment Perceptions, Organisational Behaviour and Human Performance 1979, 23, 201.

Rao. T.V. and E. Abraham, 'HRD Climate in Indian Organisations', Rao and Pereira (ed.), Recent Experiences in Human Resource Development, New Delhi : Oxford and IBH, 1986.

Rao. T.V. and E. Abraham, 'HRD Practices in Indian Industries : A Trend Report', Management and Labour Studies, Vol 11, (2), April, 1986, pp. 73-83.

Schneider, B., Organisational Climate : An Essay, Personnel Psychology, 1975 28, 444-479.

Schneider, B and A.E. Reichers, 'On the Etiology of Climates', Personnel Psychology, a1983, Vol 36, pp. 19-397.

**4.12 APPENDICES**

				<b>APPENDIX-I</b>
Litwin & Stringer Total 50 items)	Downey, Hellriegel and Slocum (Total 54 items)*	SIMS & Lefollette (Total 50 items)	Muchinsky (Total 50 items)	Rao and Abraham (Total 38 items)
1. Structure (8)	Structure (2)		Organisaiton Structure and Procedures (10)	
2. Responsibility (7)	Decision-Making (4)		Responsibility (7)	Responsibility (2)
3. Reward (6)	Rewards (3)	Policy & Promotion Clarity (5)		Rewards (2)
4. Risk (5)	Risk (2)	Risk & decision making (3)		Risk taking (3)
5. Warmth (5)	Warmth (3)	General affect tone toward management and/or organisation (11)	General affect tone toward management and/or organisation (17)	Top management support (4)
6. Standards (6)		Job pressure and standards	Standards (3)	
7. Conflict (4)				Conflict (2)
8. Identity (4)		General affect tone toward other people in the organisation (20)	Organisaiton identifications (5)	Feedback (3)
9. Support (5)	Openness (1)	Openness and upward communication (3)		Supportive HRD practices (6) Openness & Communication (5) Trust (2) Team spirit (2) Collaboration (4) Autonomy (3)

\* not complete

Comparison of Different Climate Questionnaires with HRD Climate Questionnaire  
(Number of items are given in brackets)

**HARD CLIMATE SURVEY**

Organisation

Designation

Date

Any organisation that would like to be dynamic and growth oriented has to pay attention to the development of its human resources. People must be continuously helped to acquire capabilities for effective performance of new roles/functions/tasks that may arise in the process of organisational growth and change in the environment. Thus HRD becomes crucial for organisational dynamism and growth. In the recent past, mechanisms like performance appraisal, counselling, OD, potential appraisal, job enrichment have been introduced in various organisations. A minimal positive development climate is essential for the success of these programmes. This survey is to find out the extent to which such development climate exists in your organisation.

We propose to combine the responses received from several employees of your organisation and prepare profiles of development climate for your organisation. As these profiles may form the basis of your organisation taking further steps with regard to its HRD practices, we would appreciate your frank responses.

A number of statements are given below describing the HRD climate of an organisation. Please give your assessment of the HRD climate in your organisation by rating your organisation on each statement using the 5-point scale. A rating of 5 indicates that the statement is almost always true with your organisation; a rating of 4 indicates that the statements is mostly true; a rating of 3 indicates that the statement is sometimes true; a rating of 2 indicates that the statement is rarely true and rating of 1 indicates that the statement is not at all true about your organisation. Give your assessment by encircling the appropriate number.

5=Almost always true

4=Most true

3=Sometimes true

2=Rarely true

1=Not at all true

- 1) The top management of this organisation goes out of its way to make sure that employees enjoy their work. 1 2 3 4 5
- 2) The top management believes that human resources are an extremely important resource and that they have to be treated more humanity. 1 2 3 4 5
- 3) Development of the subordinates is seen as an important part of their job by the managers/officers here. 1 2 3 4 5
- 4) The personnel polices in this organisation facilitate employee development. 1 2 3 4 5
- 5) The top management is willing to invest a considerable part of their time and other resources to ensure the development of employees. 1 2 3 4 5
- 6) Senior officers/executives in this organisation take active interest in their juniors and help them learn their job. 1 2 3 4 5

- 7) People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended. 1 2 3 4 5
- 8) Managers in this organisation believe that employee behaviour can be changed and people can be developed at any stage of their life 1 2 3 4 5
- 9) People in this organisation are helpful to each other. 1 2 3 4 5
- 10) Employees in this organisation are very informal and do not hesitate to discuss their personal problems with their supervisors. 1 2 3 4 5
- 11) The psychological climate in this organisation is very conducive for any employee interested in developing himself by acquiring new knowledge and skills. 1 2 3 4 5
- 12) Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take up. 1 2 3 4 5
- 13) The top management of this organisation makes efforts to identify and utilise the potential of the employees. 1 2 3 4 5
- 14) Promotion decisions are based on the suitability of the promotee rather than on favoritism. 1 2 3 4 5
- 15) There are mechanisms in the organisation to reward any good work done or any contribution made by employees 1 2 3 4 5
- 16) When an employee does good work his supervising officers take special care to appreciate it. 1 2 3 4 5
- 17) Performance appraisal reports in our organisation are based on objective assessment and adequate information and not on favoritism 1 2 3 4 5
- 18) People in this organisation do not have any fixed mental impressions about each other. 1 2 3 4 5
- 19) Employees are encouraged to experiment with new methods and try out creative ideas. 1 2 3 4 5
- 20) When any employee makes a mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him. 1 2 3 4 5
- 21) Weaknesses of employees are communicated to them in a non-threatening way. 1 2 3 4 5
- 22) When behaviour feedback is given to employees they take it seriously and use it for development. 1 2 3 4 5
- 23) Employees in this organisation take pains to find out their strengths and weaknesses from their supervising officers or colleagues. 1 2 3 4 5
- 24) When employees are sponsored for training they take it seriously and try to learn from the programmes they attended. 1 2 3 4 5
- 25) Employees returning from training programmes are given opportunities to try out what they are learnt. 1 2 3 4 5



- 26) Employees are sponsored for training programmes on the basis of genuine training needs. 1 2 3 4 5
- 27) People trust each other in this organisation 1 2 3 4 5
- 28) Employees are not afraid to express or discuss their feelings with their superiors. 1 2 3 4 5
- 29) Employees are not afraid to express or discuss their feelings with their subordinates. 1 2 3 4 5
- 30) Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors. 1 2 3 4 5
- 31) Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organisation. 1 2 3 4 5
- 32) When seniors delegate authority to juniors, the juniors use it as an opportunity for development. 1 2 3 4 5
- 33) Team spirit is of high order in this organisation. 1 2 3 4 5
- 34) When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind the back. 1 2 3 4 5
- 35) Career opportunities are pointed out to juniors by senior officers in the organisation. 1 2 3 4 5
- 36) The organisation's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future. 1 2 3 4 5
- 37) This organisation ensures employee welfare to such an extent that the employees can save a lot of their mental energy for work purposes. 1 2 3 4 5
- 38) Job rotation in this organisation facilitates employee development. 1 2 3 4 5

## ANNEXURE 1

Factor	Eigne Value	Percent of variance	Cumulative variance
1	16.99	44.7	44.7
2	3.65	9.6	54.3
3	2.67	7.0	61.3
4	2.11	5.6	66.9
5	1.74	4.6	71.5
6	1.52	4.0	75.5
7	1.19	3.1	78.6
8	1.06	2.8	81.4
9	1.02	2.7	84.1

TABLE 1 : RESULTS OF PCM OF FACTOR ANALYSIS OF CLIMATE

Factor	Eigne Value	Percent of variance	Cumulative variance
1	2.37	14.8	14.8
2	2.42	15.4	30.2
3	1.87	9.2	39.4
4	1.61	6.8	46.2
5	2.46	15.9	62.1
6	1.49	5.8	67.9
7	1.52	6.0	73.9
8	1.51	6.0	79.9
9	1.25	4.1	84.0

TABLE 2 : RESULTS OF VARIMAX METHOD FACTOR ANALYSIS OF CLIMATE

Factor	Associated Item No.
1	4,5,13,36,37
2	15,19,22,24,25,26,30
3	6,7,20,21,35

## ANNEXURE 2

Excluded Item	Alpha	Excluded-Item	Alpha	Excluded Item	Alpha
1	.9496	14	.9490	27	.9491
2	.9490	15	.9494	29	.9492
3	.9488	16	.9487	30	.9497
4	.9488	17	.9488	31	.9495
5	.9489	18	.9504	32	.9481
6	.9487	19	.9491	33	.9493
7	.9490	20	.9492	34	.9487
8	.9495	21	.9492	35	.9488
9	.9495	22	.9495	36	.9491
10	.9410	23	.9495	37	.9491
11	.9488	24	.9497	38	.9492
12	.9484	25	.9490	38	.9502
13	.9486	26	.9490		

## ANNEXURE 3

TABLE 3: SENSITIVITY OF CRONBACH ALPHA TO EXCLUSION OF AN ITEM

Item No.	Average	Item No.	Average	Item No.	Average
1	2.61	14	3.44	27	3.41
2	3.35	15	2.89	28	3.43
3	3.45	16	3.29	29	3.29
4	3.10	17	3.47	30	2.98
5	3.08	18	3.02	31	3.17
6	3.15	19	2.93	32	3.41
7	3.00	20	3.40	33	3.25
8	3.11	21	3.36	34	3.16
9	3.60	22	2.95	35	2.94
10	3.32	23	2.66	36	3.07
11	3.29	24	3.42	37	2.95
12	3.20	25	2.82	38	3.04
13	3.16	26	3.14		

**ANNEXURE 4**  
**TABLE 4: SENSITIVITY OF CRONBACH ALPHA TO EXCLUSION OF AN ITEM**  
**(ON 1-5 POINT SCALE)**

Item	Very Bad 0-29%	Bad 30-39%	Poor 40-49%	Average 50-59%	Good 60-69%	Very Good 70+%
1	8	20	21	7	4	0
2	0	1	5	16	18	12
3	0	1	9	15	20	7
4	1	3	18	16	11	3
5	0	5	20	13	8	6
6	0	4	14	23	7	4
7	0	5	20	19	6	2
8	0	6	12	22	9	3
9	0	1	2	8	25	16
10	0	2	3	22	20	5
11	0	0	5	28	12	7
12	1	2	14	20	10	5
13	1	3	13	20	10	5
14	0	3	5	17	13	14
15	4	12	16	10	6	4
16	0	2	7	25	12	6
17	0	0	9	16	13	14
18	1	3	18	23	7	0
19	4	8	15	12	11	2
20	1	1	3	20	19	8
21	1	0	5	26	10	10
22	1	7	17	19	7	1
23	2	24	15	8	1	2
24	0	3	3	15	21	10
25	4	15	14	13	2	4
26	0	7	11	18	9	7
27	0	2	3	20	19	8
28	0	0	6	17	20	9
29	0	1	7	25	14	5
30	1	5	19	21	6	0
31	0	4	13	19	13	3
32	0	0	4	21	20	7
33	1	1	12	21	11	6
34	0	0	16	22	10	4
35	0	12	18	15	7	3
36	1	6	18	14	7	6
37	0	12	15	15	7	3
38	5	9	14	12	3	9

**Dr. M. TRIMURTHI RAO**

**UNIT - II****HRD INTERVENTIONS AND STRATEGIES****LESSON - 5****INTEGRATED HUMAN RESOURCE  
DEVELOPMENT SYSTEMS****LEARNING OBJECTIVE :**

After going through this lesson, you should be able to :

- \* Understand the Mechanisms / Technologies of HRD.
- \* Know the Subsystems contribute to HRD goals.
- \* Familiar with concept and various techniques of Performance Appraisal.
- \* Study the concept of Potential Appraisal and Development.
- \* Visualise the role of Feedback and Performance Coaching methods in HRD.

**LESSON STRUCTURE :**

- 5.1 Introduction**
- 5.2 The Concept of HRD**
- 5.3 The Need for HRD**
- 5.4 Integrated HRD Mechanisms / Systems / Techniques**
- 5.5 Contribution of Subsystems to HRD goals**
- 5.6 Performance Appraisal**
- 5.7 Potential Appraisal and Development**
- 5.8 Feedback**
- 5.9 Performance Coaching**
- 5.10 Summary**
- 5.11 Keywords**
- 5.12 Self Assessment Questions**
- 5.13 Further Readings**

**5.1 INTRODUCTION**

Human resource development (HRD) has gained increasing attention in the last two decades from human resource specialists, training and development professionals, chief executives, and line managers. Many dimensions of HRD have been integrated into research, training, organisational design and change. Others are still being explored, there is likely to be a knowledge explosion in HRD. If trainers, researchers, and consultants are to utilise this knowledge effectively, they must understand the concepts behind HRD and how HRD systems work in and contribute to organisations. They also must understand the different mechanisms for developing human resources and the links between them. This lesson makes an attempt to provide such understanding and also to

present some considerations for designing HRD systems for organisations. This lesson is discussing in detail the concepts of performance appraisal, potential appraisal and development, feedback and performance coaching. Remaining mechanisms are discussed in the lesson six.

## 5.2 THE CONCEPT OF HRD

Human Resource Development in the organisational context is process by which the employees of an organisation are helped, in a continuous, planned way, to:

- 1) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
- 2) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organisational development purposes;
- 3) Develop an organisational culture in which supervisor-subordinate relationships, team work, and collaboration among subunits are strong and contribute to the professional well-being, motivation, and pride of employees.

This definition of HRD is limited to the organisational 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, counselling, training, and organisation 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. Organisations can facilitate this process of development by planning for it, by allocating organisational resources for the purpose, and by exemplifying an HRD philosophy that values human beings and promotes their development.

## 5.3 THE NEED FOR HRD

HRD is needed by any organisation that wants to be dynamic and growth oriented or to succeed in a fast changing environment. Organisations 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 organisation dynamic and take it in new directions. Employee capabilities must continuously be acquired, sharpened, and used. For this purpose, an “enabling” organisational culture is essential. When employees use their initiative, take risks, experiment, innovate, and make things happen, the organisation may be said to have an “enabling” culture. Even an organisation that has reached its limit in terms of growth needs to adapt to the changing environment. No organisation is immune to the use for processes that help to acquire and increase its capabilities for stability and renewal.

## 5.4 INTEGRATED HRD MECHANISMS/SYSTEMS/TECHNIQUES

The goals of HRD system is to develop:

- a) The capabilities of each employee as an individual;
- b) The capabilities of each individual in relation to his or her present role;
- c) The capabilities of each employee in relation to his or her expected future role(s);

- d) The dyadic relationship between each employee and his / her supervisor;
- e) The team spirit and functioning in every organisational unit (department, group, etc.);
- f) Collaboration among different units of the organisation; and
- g) The organisation's overall health and self-renewing capabilities, which, in turn, increase the enabling capabilities of individuals, dyads, teams, and the entire organisation.

To achieve these objectives, HRD systems may include the following process mechanisms/ techniques or subsystems:

1. Performance Appraisal;
2. Potential Appraisal and Development;
3. Feedback and Performance Coaching;
4. Career Planning;
5. Training;
6. Organisation Development (OD) or Research and Systems Development;
7. Rewards;
8. Employee Welfare and Quality of Work Life;
9. Human Resources Information.

All these process mechanisms are linked with corporate plans, particularly with human resources planning. These mechanisms are designed on the basis of the following beliefs:

- i) Human resources are the most important assets in the organisation.
- ii) Unlike other resources, human resources can be developed and increased to an unlimited extent.
- iii) A healthy climate, characterised by the values of openness, enthusiasm, trust, mutuality, and collaboration, is essential for developing human resources.
- iv) HRD can be planned and monitored in ways that are beneficial both to the individual and to the organisation.
- v) Employees feel committed to their work and the organisation if the organisation perpetuates a feeling of belonging.
- vi) Employees are likely to have this feeling if the organisation provides for their basic needs and for their higher needs through appropriate management styles and systems.
- vii) Employee commitment is increased with the opportunity to discover and use one's capabilities and potential in one's work.
- viii) It is every manager's responsibility to ensure the development and utilisation of the capabilities of subordinates, to create a healthy and motivating work climate, and to set examples for subordinates to follow.
- ix) The higher the level of manager, the more attention should be paid to the HRD function in order to ensure its effectiveness.
- x) The maintenance of a healthy working climate and the development of its human resources are the responsibilities of every organisation (especially the corporate management).

The HRD mechanisms/techniques or subsystems are defined as follows:

#### **5.4.1 PERFORMANCE APPRAISAL**

Performance appraisal is practiced in most organisations all over the world. A written assessment to which the employee has no chance to respond is still common in most countries, particularly the developing countries. Many studies indicate that this type of appraisal serves no purpose. It is time that more organisations begin to utilise the performance appraisal interview between the manager and the subordinate, during which the subordinate's strengths and weaknesses are discussed, concerns are shared, and the subordinate is given the opportunity to defend or improve any deficits in his or her performance.

An HRD-oriented performance appraisal is used as a mechanism for supervisors to :

- i) Understand the difficulties of their subordinates and try to remove these difficulties;
- ii) Understand the strengths and weaknesses of their subordinates and help the subordinates to realise these;
- iii) Help the subordinates to become aware of their positive contributions;
- iv) Encourage subordinates to accept more responsibilities and challenges;
- v) Help subordinates to acquire new capabilities;
- vi) Plan for effective utilisation of the talents of subordinates.

In HRD organisations, every supervisor has the responsibility to ensure the development of his or her subordinates in relation to the capabilities required to perform their jobs effectively. Generally, the supervisor schedules individual meetings with each employee to discuss the employee's performance, communicate the performance areas that need attention, and jointly establish areas to be worked on or goals to be achieved by the next scheduled discussion.

Such performance appraisal interviews may be scheduled every three months or once or twice a year. Goals and objectives that have been agreed on in each meeting are reviewed in the next meeting. During this review, the supervisor attempts to understand the difficulties of the subordinate and to identify his or her developmental needs. Before each review, the employee prepares for the discussion through self-assessment, identifying factors that have contributed to his or her performance and factors that hinder it, as well as the types of support that he or she needs from the supervisor or others in order to do better in the next period. The supervisor also prepares for the meeting by listing observations, problems, suggestions, and expectations. During the appraisal meeting, the supervisor and subordinate share their observations and concerns. Each responds to the subjects raised by the other. Such discussions help to develop mutual understanding, and the data generated are reported to higher management and is used in making decisions about individual employee development as well as developmental needs of the work group or the entire organisation.

#### **5.4.2 POTENTIAL APPRAISAL AND DEVELOPMENT**

In organisations 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. It is assumed under this system that the company is growing continuously. It may be expanding in scale, diversifying its operations, introducing technological changes, or entering new markets. A dynamic and growing organisation needs to continually review its structure and systems, creating new roles and assigning new responsibilities. Capabilities to perform new



roles and responsibilities must continually be developed among employees. The identification of employee potential to ensure the availability of people to do different jobs helps to motivate employees in addition to serving organisational needs.

Every year or two, the supervisor of a group of employees assesses the potential of each of them to perform different (usually higher level) functions on the basis of the supervisor's observations and experiences during that period. Of course, many supervisors see their subordinates doing only those jobs to which they are assigned. The ideal way to judge a person's potential would be to try the person on each job for which his potential is being assessed. This is not feasible in most organisations, so simulation activities are prepared to provide some information about the potential of employees in specific areas.

Any employee can request such assessment. It should be clear whether or not there is a position available in the company to which the employee could be transferred or promoted.

#### **5.4.3 FEEDBACK AND PERFORMANCE COACHING**

Knowledge of one's strengths helps one to become more effective, to choose situations in which one's strengths are required, and to avoid situations in which one's weaknesses could create problems. This also increases the satisfaction of the individual. Often, people do not recognise their strengths. Supervisors in an HRD system have the responsibility for ongoing observation and feedback to subordinates about their strengths as well as their weaknesses, as well as for guidance in improving performance capabilities.

#### **5.4.4 CAREER PLANNING**

The HRD philosophy is that people perform better when they feel trusted and see meaning in what they are doing. In the HRD system, corporate growth plans are not kept secret. Long-range plans for the organisation are made known to the employees. Employees are helped to prepare for change whenever such change is planned, in fact, the employees help to facilitate the change. Major changes are discussed at all levels to increase employee understanding and commitment.

Most people want to know the possibilities for their own growth and career opportunities. Because managers and supervisors have information about the growth plans of the company, it is their responsibility to transmit information to their subordinates and to assist them in planning their careers within the organisation. Of course, the plans may not become reality, but all are aware of the possibilities and are prepared for them.

#### **5.4.5 TRAINING**

Training is linked with performance appraisal and career development. Employees generally are trained on the job or through special in-house training programmes. For some employees (including managers), outside training may be utilised to enhance, update, or develop specific skills. This is especially valuable if the outside training can provide expertise, equipment, or sharing of experiences that are not available within the organisation.

In-house training programmes are developed by in-house trainers or consultants hired for the task, and periodic assessments are made of the training needs within the organisation. The effect of all training programmes are monitored and added to the data concerning training needs. Managers and employees who attend in-house or outside training events also are expected to submit proposals concerning any changes they would like to suggest on the basis of their new knowledge. The training received by employees is thus utilised by the organisation.

#### **5.4.6 ORGANISATION DEVELOPMENT (OD) OR RESEARCH AND SYSTEMS DEVELOPMENT**

This function includes research to ascertain the psychological health of the organisation. This generally is accomplished by means of periodic employee surveys. Efforts are made to improve organisational health through various means in order to maintain a psychological climate that is conducive to productivity. The OD or systems experts also help any department or unit in the company that is having problems such as absenteeism, low production, interpersonal conflict, or resistance to change. These experts also refine and develop various systems within the organisation to improve their functioning.

#### **5.4.7 REWARDS**

Rewarding employee performance and behaviour is an important part of HRD. Appropriate rewards not only recognise and motivate employees, they also communicate the organisation's values to the employees. In HRD systems, innovations and use of capabilities are rewarded in order to encourage the acquisition and application of positive attitudes and skills. Typical rewards include certificates of appreciation, newsletter announcements, increases in salary, bonuses, special privileges, and desired training. Promotions generally are not considered as rewards because promotion decisions are based on appraisals of potential whereas most rewards are based on performance. Rewards may be given to teams, departments, and other units within the organisation as well as to individuals.

#### **5.4.8 EMPLOYEE WELFARE AND QUALITY OF WORK LIFE**

Employees at lower levels in the organisation usually perform relatively monotonous tasks and have fewer opportunities for promotion or change. This particularly is true in developing countries. In most countries, many employees belong to trade unions. In order to maintain their work commitment and motivation, the organisation must provide some welfare benefits such as medical insurance, disability insurance, and holidays and vacations.

Quality of work life programmes generally focus on the environment within the organisation and include; basic physical concerns such as heating and air conditioning, lighting, and safety precautions; additional physical amenities such as food and beverage facilities, recreation, and aesthetics; and psychological and motivational factors such as flexible work hours, freedom to suggest changes or improvements, challenging work, and varying degrees of autonomy.

HRD systems focus on employee welfare and quality of work life by continually examining employee needs and meeting them to the extent feasible. Job enrichment programmes, educational subsidies, recreational activities, health and medical benefits, and they like to generate a sense of belonging that benefits the organisation in the long run.

#### **5.4.9 HUMAN RESOURCE INFORMATION**

All appropriate information about employees should be stored in a central human resources data bank (usually by means of computer). This includes all basic information about each employee, training programs attended, performance records, potential appraisals, accomplishments, etc. This data is utilised whenever there is a need to identify employees for consideration for special projects, additional training, or higher level jobs.

## 5.5 THE CONTRIBUTIONS OF THESE SUBSYSTEMS TO HRD GOALS

Each of the subsystems or mechanism just defined contributes to the achievement of overall HRD goals.

Performance appraisal focuses primarily on helping the individual to develop his or her present role capabilities and to assume more responsibility for that role. Potential appraisal focuses primarily on identifying the employee's future likely roles within the organisation. Training is a means of developing the individual's personal effectiveness (e.g.: through communications skills laboratories) or developing the individual's ability to perform his or her present job role or future job roles. Training also can strengthen interpersonal relationships (through training in communications, conflict resolution, problem solving, transactional analysis, etc.) and increase teamwork and collaboration (through management and leadership training, team building programmes, etc.)

Feedback and performance coaching helps the development of the individual as well as relationships. Organisation development is the mechanism for developing team collaboration and self-renewing skills. Effort to promote employee welfare and ensure the quality of work life, along with rewards, promote the general climate of development and motivation among employees. The contribution of these HRD subsystems to different development dimensions is indicated in Table 5.5.

**Table 5.5. The Contribution of HRD Subsystems to Development Dimensions**

Development Dimensions	HRD Subsystems		
	Training	Career Planning	Potential Appraisal and Development
Individual	Feedback and Performance Coaching	Rewards	
Individual in the present role	Performance Appraisal	Training Rewards	Feedback and Performance Coaching
Individual in regard to likely future roles	Potential Appraisal and Development	Training	Performance appraisal Feedback and Performance coaching
Dyadic relationships	Feedback and Performance Coaching	Performance Appraisal	Training
Teams and teamwork	Organisation Development	Training	Team rewards
Collaboration among different units/teams	Organisation Development	Training	
Self-renewing capability and health of organisation	Performance Appraisal	Organisation Development	Training

## 5.6 PERFORMANCE APPRAISAL

In this lesson the author discussing the mechanisms of performance appraisal, potential appraisal and development, feedback and performance coaching. The remaining mechanisms career planning and development, OD/research and systems development, rewards, employee welfare and quality of work life and human resource information systems have been discussed in the next lesson.

Performance appraisal is essential to understand and improve the employees performance through HRD. In fact, performance appraisal is the basis for HRD. It was viewed that performance appraisal was useful to decide upon employee promotion/ transfer, salary determination and the like. But the recent developments in human resource management indicate that performance appraisal is the basis for employee development. Performance appraisal indicates the level of desired performance level and level of actual performance and the gap between these two. This gap should be bridged through integrated HRD systems. Now, we shall discuss the methods and role of HRD oriented performance appraisal.

### 5.6.1 TRAIT APPRAISAL

Most of the organisations are currently using individual traits as performance dimensions. Commonly used individual traits include several distinguishable characteristics (human behaviour related) that manifest on the job and influence performance.

A major limitation of this technique is that the traits often relate more to people to than jobs. How well they relate to job performance is difficult to say.

### 5.6.2 APPRAISAL BY OBJECTIVES

Some organisations use goal setting as part of the appraisal process. The superior and subordinate jointly determine the objectives that are to be achieved within the evaluation period (usually twelve months). This system is followed even in organisations which do not have a formal programme of 'Management by Objectives (MBO)'. The evaluation is made in terms of the degree of achievement of the predetermined objectives. In some cases the objectives are written down at the beginning of the period by the rates who gives his own evaluation in self-assessment section. The rate is also allowed to specify the conditions/situation, if any, which may have contributed to deviation from the objectives determined at the beginning.

In most of the organizations, the appraisal is done in a descriptive form with specific mention about output, costs, and time schedule where applicable. In some cases the descriptive analysis is supplemented with a rating on 4, 5 or 9 point scale. Most organizations apply this technique only in case of managerial employees.

### 5.6.3 CONFIDENTIAL REPORT

Confidential report is a traditional form of performance approach, found in the government organizations. A confidential report is a report by the superior on the subordinate's strengths, weaknesses, major achievements or failures and information on some personality traits and behavioural aspects. As the confidential report is usually descriptive in nature, it permits a lot of subjectivity. A negative confidential report is normally communicated to the rates and if the ratee disagrees, the same is noted on the format to that effect. Often the confidential report system is used for transfers and promotions.

#### 5.6.4 GRAPHIC RATING SCALES

The graphic rating scales compare individual performance to absolute standard. This is the oldest and widely used technique. This method is also known as linear rating scale or simple rating scale. In this method, judgements about performance are recorded on a scale. The appraisers are supplied with printed forms, one for each employee. These forms contain a number of objectives, behaviours and traits based on qualities and characters to be rated like quality and volume and volume of work, job knowledge, dependability, initiative, attitude etc. In case of workers analytical ability, creative ability, initiative, leadership qualities, emotional stability of managerial personnel these forms contain rating scales. The rating scales are of two types, continuous rating scale the points (weightages) which the appraiser is required to give in respect of each trait/behaviour are arranged in a continuous order, like 0,1,2,3,4, and 5. In the discontinuous rating scale, the appraiser assigns points to each degree. Performance regarding each character is known by the weightage (points) given by the rater. The points given by the rater to each character are added to find out the overall performance.

This method of appraisal is quite popular because of its simplicity, as it permits the evaluation of the performance of many employees at a time. A major limitation of this method is that it allows subjectivity in rating and low reliability.

#### 5.6.5 RANKING TECHNIQUES

Ranking techniques encourage superior or peers to rank order all their subordinates or peers as the case may be the ranking technique is a form of comparative measurement. Currently, three major ranking techniques are in vogue in many organizations : a) simple or straight ranking, b) forced distribution ranking, and c) paired comparison.

##### a) Simple or Straight Ranking :

Under this method the employees are ranked from best to worst on some characteristics for example, overall performance of the employees. The rater first, finds the employee with the highest performance and the employee with the lowest performance in the particular job category, and rates the former as the best and the latter as the poorest. Then the rater selects the next highest and the next lowest and so on until he rates all the employees in that group.

This technique is simple. However, it is difficult to assign relative ranking to those at the bottom and ratees (employees) may perceive this as a zero-sum game, one wins and the other loses. If the raters are allowed to rank two or more ratees equally, the negative aspects of zero-sum game can be avoided.

##### b) Forced Distribution Ranking :

In this technique the raters are required to allocate a certain percentage of ratees to certain categories (e.g.: superior, above average, etc.) or percentage (e.g.: top 10%, bottom 20% etc.) Thus unlike the simple ranking method, this technique of ranking requires the raters to spread their employee evaluations in a prescribed distribution. This technique serves a useful function if the pursue is to relatively rank members of the same work unit by assigning different categories or positions (e.g.: top, middle, and bottom) but it is difficult to obtain accurate relative standings of members of different work units by different raters.

**c) Paired - Comparison :**

Under this method the rater is required to appraise which of the two employees is superior, instead of having of rank order all the employees in the same work unit doing the same job. This method is widely used for comparing small number of people. In this method, the rater compares an employee with other individual. Usually the overall ability to perform is appraised.

**5.6.6 CHECKLIST METHOD**

In the checklist method, the evaluator uses a list of behavioural description and checks off those behaviours that apply to the employee. The evaluator merely goes down the list and gives "yes" or "no" response.

Once the checklist is complete, it is usually evaluated by the personnel department, not the manager doing the checklist. Therefore, the rater does not actually evaluate the employee's performance; he or she merely records it. An analyst in the personnel department then scores the checklist, often weighting the factors in relationship to their importance. The final evaluation can be returned to the rating manager for discussion with the subordinate.

The checklist reduces some bias since, the rater and scorer are different, but the rater can usually pickup the positive and negative implications in each item, so bias can still be introduced.

**5.6.7 NARRATIVE OR DESCRIPTIVE METHODS**

The narrative or descriptive methods of appraisal include the essay and critical incident methods. Both these methods require the rater to provide a written description of employees performance, but differ as discussed below:

**(a) The Essay Method or Free form Method**

In this method the rater is required to write a narrative describing an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. The success of this method depends on the writing skills and the analytical ability of the rater. It is time consuming processing the essays for decision making purpose would be difficult. This method is recommended for assessing the very senior managerial staff and other categories where the number involved is small.

**(b) The Critical Incident Method**

Critical incident method of appraisal focuses behaviours that make the difference between doing a job effectively and doing it ineffectively. This method provides information based on systematic observation of actual job performance. This method of appraisal is time consuming and cumbersome. Also quoting incidents after considerable time lapse may evoke emotions and problems. The main advantage of this method is that it is defensible from the rater's point of view.

**5.6.8 BEHAVIORALLY ANCHORED RATING SCALES (BARS)**

These are descriptions of various degree of behaviour relating to an aspect of performance dimension. The performance dimensions are derived and described from an analysis of job content and work behaviour. The behaviours are described for a set of intervals ranging from the most negative to most positive. Considering the complex range of behaviours that occur and the difficulties in relating them to different levels of performance BARS is considered a rather difficult, cumbersome and expensive method to develop.

### 5.6.9 GROUP APPRAISAL

Under this method, an employee is appraised by group of appraisers. This group consists of the immediate supervisor of the employee, other supervisors who have close contact with the employee's work, manager or head of the department and consultants. The group may use one or multiple techniques discussed earlier. The immediate supervisor, enlightens other members about the job character, demands standards of performance etc. Then the group appraises the performance of the employee, compares the actual performance with standards, finds out the deviations, discusses the reasons therefore, suggests ways for improvement of performance, prepares action plan, studies the need for change in the job analysis and standards and recommends change, if necessary. This method is widely used for purposes of promotion, demotion and retrenchment.

### 5.6.10 360 DEGREE TECHNIQUE

The 360 degree technique of appraisal is used to give feedback to managers about their psychological, attitudinal behaviour and drive which mostly shape, determine and influence the work and not merely just, the job knowledge.

The assessment of a manager's performance is made by the manager's boss, colleagues (peers), and subordinates. The technique spans over several parameters; performance as well as behaviour, his approach to work how effectively he handles; his boss and his juniors, communication, delegation, values, ethics, fairness, balance, courtesy and other critical attributes.

Depending on the interpretation of the responses counselling sessions are held to solve specific problems and weaknesses of the manager, identified by the 360 degree assessment. This technique of appraisal serves as a powerful tool for self development especially at the senior level.

### 5.6.11 PROBLEMS OF PERFORMANCE APPRAISAL

The major problems in performance appraisal are discussed below :

1. **The Halo Effect** : The tendency of the evaluators to base assessments of all individual characteristics on the rater's overall impression of the person being evaluated is termed the halo effect. In other words, the appraiser makes the entire appraisal on the basis of one perceived positive feature.
2. **First Impressions** : Raters may identify some specific qualities or features of the ratee and quickly form an overall impression about him. The identified qualities and features may not provide adequate base for appraisal.
3. **Stereotyping** : Stereotyping is a standard mental picture than an individual holds about a person because of that person's sex, caste, age, physical characteristics of his/her features. Stereotyping may result in an over simplified view of the individual and may blur the rater's perception and assessment of the person's performance on the job.
4. **Home Effect** : Basing the evaluation on negative quality of feature perceived. This is lower rating than may be warranted.
5. **Central Tendency** : Most appraisal forms require the rater to justify if assessment is outstanding or very poor. So a rater may say to himself. "Better rate most people as average so that I do not have to justify or clarify".
6. **Strict or Lenient Rating** : Depending upon the rater's own standards, values system,

and or physical and mental makeup at the time of appraisal, ratees may be rated very strictly or rated very leniently. Such rating usually does not carry any reference to actual, to how similar performance is rated elsewhere the organization.

7. **Latest behaviour** : The appraiser's rating is influenced by the most recent behaviour ignoring the commonly demonstrated behaviours during the entire appraisal period.
8. **Spillover- Effect** : Allowing past performance to influence how present performance is evaluated, "the person who has good work in the distance past is assured to be okay at present also".

#### 5.6.12 ESSENTIAL CHARACTERISTICS OF AN EFFECTIVE PERFORMANCE APPRAISAL SYSTEM

The fact that managers frequently encounter problems with performance appraisals should not lead us to throw up our hands and give up on the concept. The performance appraisal system can be made more effective by:

- (i) developing well defined performance factors and criteria
- (ii) focusing attention on behaviour over which the ratee has greatest control
- (iii) improving familiarity of the rater with the observed behaviour
- (iv) insisting that raters document behaviours to help improve recall.
- (v) preparing a checklist to obtain and review job performance related information.
- (vi) conscious efforts to minimise personal bias.
- (vii) imparting accountability for ratings and review.
- (viii) arranging for rater feedback.
- (ix) tying up ratings with actual performance of units under rater's control.
- (x) arranging training to raters covering among others, each of the above aspects.
- (xi) providing for an appeal system to facilitate the appraiser to challenge the evaluation if they disagree with the same.
- (xii) encouraging the managers to provide feedback to their subordinates on a day to day basis.
- (xiii) encouraging peer evaluations, as the evaluation of the performance of employees by their peers can supplement to the evaluation made by the superiors.

#### 5.6.13 PERFORMANCE APPRAISAL AS A MECHANISM/TECHNIQUES OF HRD

An HRD oriented performance appraisal is used as a mechanism for supervisors or senior officers to:

- a) understand the difficulties of their juniors and try to remove these difficulties.
- b) understand the strengths and weaknesses of their juniors and help the juniors realise these.
- c) help the juniors to become aware of their contributions to take more responsibilities



and challenges.

- d) encourage the juniors to acquire new capabilities.
- e) plan for effective utilization of their talents.

In HRD organisations every supervisor has the responsibility to ensure the development of his immediate juniors in relation to the capabilities required to perform his job effectively. For this purpose, a senior officer may sit with his junior periodically (at scheduled time, if necessary) and discuss with him his performance communicate to him the performance areas that need his attention and jointly establish targets for themselves till the next period of discussion.

Such performance appraisal interviews may be scheduled once in three months and once or twice a year. The targets are reviewed in the end meeting. The reviewing of the junior, identifying his developmental needs etc. Before such review, the junior prepares for it by listing down his observations, suggestions and expectations. The junior also does his own performance analysis by identifying the factors that have contributed to his performance. He also identifies the support the needs from his seniors, or others for doing better in the next period.

Such performance analysis is presented to his senior officer during the review meeting. This enables the senior officer to know the contributions of his junior. During the discussion, the senior adds his own list to the factors identified by the junior. These discussions help in mutual understanding and creating a feeling of attention, and care in every employee. The data generated from the appraisal interviews are reported to the higher management and are used in making decisions about individual employee development as well as developmental needs of the work group or the entire organization.

## 5.7 POTENTIAL APPRAISAL AND DEVELOPMENT

Assessing potential is different from appraising performance. Potential refers to the abilities' present but not currently utilized or the ability to discharge higher responsibilities in future roles. Performance refers to one's behaviour, skills, abilities in meeting the requirements on the job which one currently holds. Potential appraisal is done by organisations periodically with an intention to utilize one's abilities in the future, thereby giving scope for one's development in the organisation.

Potentials can be assessed by:

i reviewing present performance

- \* analysing personality traits, management skills, etc.,
- \* revoking at past experience
- \* considering age and qualifications
- \* exploring one's unused knowledge and skills.

### 5.7.1 POTENTIAL APPRAISAL AND DEVELOPMENT AS A MECHANISM OF HRD :

Another mechanism of HRD is potential appraisal and development. In organization that subscribe to HRD, the potential of every employee is assessed periodically. Such assessment is used for development planning as well as for placement. It is assumed under this system that the company is growing continuously. It may be expanding in scale or diversifying its operations, or introducing technological changes, or entering new markets. A dynamic and growing organization

keeps on reviewing its structure and systems creating new roles and adding new responsibilities to people. Capabilities to perform these new roles and responsibilities need to be developed among employees continuously. Identifying potential to ensure the availability of people to do different jobs keeps the people happy besides serving the organizational needs.

Every person cannot do every job. Some people are capable of doing certain jobs better than others. However, every one should be given an opportunity to try out what he is good at and discover also weak points. The potential appraisal attempts to do this.

Every year or once in two years, the supervisors / the senior officer of a group of employees assesses the potential of each and every employees to perform different (usually higher order) functions on basis of the supervisor's observations and experiences during that period. It must be remembered however, that the supervisor has the opportunity to observe and assess his subordinates. The best way to judge the potential is of course to try out the person on each job for which his potential is being assessed. This involves a high risk for the organization as poor performance or mistakes made by those lacking potential can be quite costly to the organization. So simulation exercises are prepared to assess the potential of employees. Their performance on these exercises is used as additional information. However, not every one is put these simulation exercises. Those who have experience and have demonstrated good performance in related functions are asked to take up these exercise.

Any employee meeting these minimum requirements and wanting a change can also be manage for such assessment. It is a matter of right, but there should be a position available in the company to actually use him after his potential has been assessed. Those employees who have been with the company for a long time and wanting a change are given preference. Even if their potential is below average; they are helped to acquire more skills to develop their potential before they are promoted.

## **5.8 FEED BACK**

If the training session does not have a definable, measurable outcome, the trainer will not know which trainee need more help nor when to stop training them. If trainee need more help it should be decided when to stop training them. If trainee do not meet the standards they will be unable to perform their job to the required standard. If they are trained beyond the desired standard time if indicates money has been spend unnecessarily.

### **5.8.1 DEFINITION**

Feedback is defined as trainees know that they have done, that has reached the standard, so that they can reproduce that behaviour, and what they have done that has not reached the standard, so that plans can be agreed with them on how to prevent a recurrence of that behaviour and how to progress towards the required standard. Achieving the standard is obviously correct behaviour and therefore "right". Not achieving it is incorrect behaviour and therefore "wrong". The concepts of right and wrong are not in any way criticisms of the learners themselves but are factual descriptions of whether or not their performance has reached the required standard. Feed back clearly reflects the crucial trainer skill. If trainees do not know what they are doing right or wrong, they will not see a need to change. Only through feedback can development be achieved, or according to the input process-output model, progress can be made.

Implicit within the definition is the concept of measurable standards. If the trainees are to be

told what they have done right or wrong, there must be a right or wrong in what they have done. The feedback is applicable, in areas of knowledge where, by definition, there is a right and wrong answer. It is also applicable in skills training. Once we have been able to specify the level of show that we want the trainees to achieve it is then relatively easy to ascertain whether or not they have achieved that level of competence. For e.g.: If the desired typing speed is to get at 40 words per minute, we can count the number of words and set a watch. However if the speed is only set as 'reasonably fast', there will be variation of interpretations.

### **5.8.2. ATTITUDE TRAINING AND FEEDBACK**

Attitude training will always present a problem. Attitudes are internal to individuals and it is only by their outward behaviour that we can gain a clue as to what their real attitudes might be. Whether their behaviour is right or wrong can be assessed, though whether this behaviour is indicative of their true attitude will always be questionable. The bright trainees will know what they are supposed to do or say, because the trainers will have been labouring the points for hours if not days. They may well conform to these behaviours in the learning environment just to keep the trainers happy, but have no intention of maintaining this after the teaching periods.

### **5.8.3 JUDGEMENT TRAINING AND FEEDBACK**

With judgement training, the real problem of feedback arise. It is not legitimate to give feedback on judgements at the time that those judgements are made. We can certainly review those judgements in the light of our and other people's experiences and with the benefit of hindsight, discuss what the outcome was. If we were to give feedback on someone's decision it could be only on knowledge involved in making that decision. We could tell a trainee that their idea was unacceptable if it was against company policy, rules and procedures or was against a legal or ethical code. This feedback would be on knowledge, however, as they would be wrong. The trainer should not criticize any idea that was within the rules, even though it would not be what the trainer would do themselves. The idea might be perfect for the particular learner even though the trainer might be personally offensive. Take for example a simple decision of dealing with a member of staff who is late for work. One trainee's suggestion might be to stand, in front of the late comer, look at their watch and make a circastic quip. This would not be wrong, even though it might be something the trainer would never do themselves. It does not break any rules or codes and is therefore acceptable. The trainer who says otherwise is in danger of imposing his, or her personal values system on the trainee. The trainee could become confused as the trainer could not support the criticism with facts. Later, when a different instructor says that it is acceptable to be circasism, the credibility of the training department will be questioned, of course, the first trainer can point out the potential hazards of sarcasms with same people some times, but they should not tell the trainee that they are actually wrong.

Having decided to be circastic, the trainee must obviously have the social skills of being able to pull it off. If the attempt of circasism contains any sexual or racial slurs the trainee is now wrong as they have broken the knowledge of the rules.

From all this, we find feedback is applicable mainly by the knowledge and skills. Giving effective feedback is not easy and much thought has to go into planning why, who, how, what, when and where. The traits of the trainer and the styles of feedback are also significant.

### **5.8.4 TWO TRAITS OF THE INSTRUCTOR**

The relationship between trainer and trainees will affect how the feedback is received and

two important traits of the instructor will help to determine whether or not the feedback is accepted. These are the credibility and the identification of the that they are being asked to achieve the impossible. As the learner's own competence at a skill improves, so the demonstrations by the instructors will be at a higher level.

### 5.8.5 IDENTIFICATION

The instructor's feedback will also be more effective if they can identify with the learners and vice versa. If the trainers can relate to the learners circumstances, their feedback will be more readily accepted. The identification will be achieved by the trainers finding out as much as possible about the trainees working environments and the conditions under which they will be using these new skills in real life, the identification will also be established, by the trainers recognizing, and responding to the emotions of the learners during the training. Discussing how the trainees are feeling, their concerns and apprehensions, is an important part of the process, especially if the participants are able to share these views.

### 5.8.6 CREDIBILITY

It is rather a cyclic argument but the trainees feedback will only be believed if the trainer is believable. This credibility should be in both the technical aspects of the knowledge and skill being taught and the training aspects of managing the training event. Probably the best way for the instructions to prove their credibility is to demonstrate the skills that they are teaching. If they carry out the input demonstration, rather than rely on video of someone else doing it or worse, not have an input demonstration at all they clearly have the technical credibility. Their demonstration should not be at the highest possible level of the skill, but at the standard that they want the trainees to achieve. If the level demonstrated by the instructor is too high, it will only serve to distance them from the learners who will feel.

### 5.8.7 DIFFERENT STYLES OF FEEDBACK

#### a) The Direct Style:

Supporters of a direct approach to feedback, would argue that of feedback in the area of knowledge, there can be no doubt the trainee was right or was wrong and if they were wrong, it is important that they are told that they are wrong so that there can be no confusion next time. Feedback has nothing to do with punishing, embracing or humiliating the trainees, so it is with no sense of vindictiveness that the errors are described and corrected. Caring instructors will want their learners to succeed and only direct objective, unambiguous feedback will clarify what the knowledge really is the trainers have the knowledge that is what they have come to learn. When a question of knowledge is raised by a trainee there is little point in the tutor throwing it open for the other participants to answer. If the rest of the trainees know the answer, the trainee who did not is isolated. If the rest do not know the answer, the time spent in asking them has been wasted. Unfortunately, a device used in schools by weak teachers was to ask the class to think of the answer, so as to give the teacher, thinking time to recall it. If that failed and the teacher still did not know, discovery of the answer was set as homework. The trainees of today are too bright to fall for these uses.

#### b) The Indirect Style:

A style advocated by some trainers is to be less direct. They claim that trainees learn best when they are able to extract what they want to learn from a supportive environment. For the tutor to be the front of the feedback might establish a sense of dependence on the tutor which may not

be easy to release at the end of the training. There is also the risk that the relationship between the teacher and taught could be soured if the learner takes offence at the feedback. In this indirect style, the feedback would come from a variety of sources including the trainees themselves, observers or video. The trainers could accept or reject the feedback they are offered and so take responsibility for their own learning.

Proponents of the indirect style of feedback recommend that the comments come from the tutor. The fans of direct feedback would argue that if the feedback is too easy for the trainer to reject, there seems either point in giving it to them in the first place. Sometimes the weight of the instructor behind the comments is necessary for the trainee to listen and learn. Certainly, the other trainees can learn a great deal from watching their fellows and viewing their success and fairness.

**c) A Middle Road:**

As with many things in life, there is a middle road where the trainer mixes the direct and indirect styles. To avoid any confusion of relationships with the tutor among the participants, the trainers will usually begin the feedback in the indirect style and then come in themselves towards the end. This middle road may carry the best of both styles or may miss benefits of each.

### 5.8.8 WHO SHOULD GIVE THE FEEDBACK

Any one who has witnessed the training sessions could be in position to give feedback, but it is the trainer and the trainee who has actually been practising who are best equipped.

**a) The Trainer:**

It is the trainer who is the source of competence in the knowledge or the skills being learned and it is the trainer who has demonstrated the skills to the learners. One of the best people, therefore, to give feedback after the trainees' attempts is the trainer. As instructors, their competence should be two fold, first, in the knowledge and skills to be taught, and second in the trainer skills of giving feedback and judging when the trainees have had sufficient. They know what to look for and how to explain it. They also know some of the best ways of helping the trainees to improve their performance.

**b) The Trainees Themselves:**

The trainee who has actually been undergoing the practice or the test is in a very strong position to describe how he or she felt what they found difficult and what they found easy. It would be ignoring a great resource if this trainee was not brought into to discuss their own performance. Focusing on the practising trainees also demonstrates that they are the key figures in the process, that it is for their benefit and that their commitment is essential. It is always a good format, even using the direct style, to begin the feedback by asking the practicing trainees how they felt the exercise went.

Most trainees are fairly aware of their performance at a test or exercise and are able to describe those areas where they feel they need guidance. Encouraging the learner to identify these trouble spots enables the trainer to structure the order in which points are covered.

### 5.8.9 WHERE TO GIVE FEEDBACK

The more private setting for the feedback, the more can be covered and identified. The feedback should be one to one in a quiet room with no audience. This is certainly possible in on the job training and coaching but is less available on a training course when they are likely to be other

participants present. When they are around, regard has to be given to the esteem in front of colleagues.

### 5.8.10 TEN RULES FOR GIVING FEEDBACK

The rules for giving feedback can be framed in the following pattern: it should be balanced; it should be specific; it should be objective; it should be appropriate; it should be understandable, it should be participative, it should be comparable, it should be actionable, it should be sufficient, and it should be hierarchical.

#### 5.8.10.1 FEEDBACK FORMULA

There are two formulas that are often used when giving feedback, one is to be recommended, the other avoided. The feedback formulae that should be used :

1. Let the trainees see what they have done
2. Let them see the effect of their behaviour
3. Agree a change.

#### 1. Let the trainees see what they have done:

By telling them, or showing them on Video, what it is that they have done, the feedback will be objective, specific, understandable and non evaluative.

#### 2. Let them see the effect of their behaviour

By seeing a specific tangible effect of their action, trainees can learn and decide if their action has achieved what they wanted. Here there can be some evaluation from the trainer, though it should be supported with evidence.

#### 3. "Agree" a change

The trainer and trainee discusses alternative course of action to prevent a recurrence. The 'agree' includes the trainer giving direct advice to at the other extreme, the trainee making all the suggestions. Between these poles is a discussion of options by both parties. Ideally, having agreed a change, the trainee should have the immediate opportunity to implement it by trying the operation again. If practice sessions can be kept focused and short, there should be sufficient time. The effect on the trainees of now getting it right will boost their confidence, consolidate, the learning and increase the chances of the learning being implemented in future. It will attract praise for the trainee and stimulate the desire for more learning. It is also extremely motivating for the trainers when they have tangible evidence that they are having a positive impact in their work.

#### 4 The feedback formulae that should not be used avoided

Another formula that is commonly used in the 'praise - criticize', 'praise-sandwich'. The instructor tells the trainee something good, slips in the bad news and their ends on a high note. This formulae has been in existence since primary school and has been experienced by most trainees countless times. Because it is so frequently used, there is a concern that it has become as transparent as a pane of glass and that right trainees will see right through it. They know that the first praise is designed to soften them up, the truth is the middle part and the final praise is so that they do not go away feeling too bad.

### 5.8.11 PRAISE

Your listening skills were good criticize, but the questions were rather leading. However, there was excellent eye contact. It is possible that the reason that trainers have used this formula, over the years is so that they do not feel too guilty in criticizing trainees. Learners who do recognize the formula will feel insulted that they are being treated like children and will suspect the validity of any of the feedback that they receive.

## 5.9 PERFORMANCE COACHING

The organizations achieve their objectives by people doing their jobs properly and in order to do they need to be trained, educated and developed. However, Human Resource Development is not a once and for all activity, it is a continuous process throughout our working lives. Managers and supervisors are responsible for achieving results through other people. They are asked with making the most effective use of current manpower resources and often with preparing individual subordinates for the future. In this latter respect they may make an integral part of an organization's succession planning a development strategy. As a great deal of learning takes place through out the job experiences, managers and supervisor must look to identifying of creating opportunities within the context to enhance performance improvement and development.

### 5.9.1 DEFINITION

Performance coaching can be defined as developing the ability and experience of trainees by giving them systematically planned and progressively more stretch in tasks to performed coupled with continuous appraisal and counselling. This suggests the individual has acquired certain basic competencies or skills and that performance coaching is a process by which further improvement can be made through discussion and guided activity.

### 5.9.2 REASONS FOR PERFORMANCE COACHING

Pareek and Venkateswara Rao (1990) have identified some of the main reasons for undertaking the coaching (performance) of subordinates.

- \* To enable the subordinates to better appreciate his or her strengths and weaknesses.
- \* To encourage the subordinate to establish goals or targets for further performance improvement.
- \* To monitor and review the subordinates progress in achieving goals or targets.
- \* To identify any problems that might be adversely affecting progress.
- \* To assist the subordinate in generating alternatives and an action plan for dealing with problems that have been identified.
- \* To improve the subordinates understanding of the work environment.
- \* To assist the subordinate to realize his or her potential.

In the broader sense Magginson and Boydell (1979) suggest that performance coaching enables the trainee to mature and make them more capable learner. This moves them in a number of ways.

- a) **From dependence to independence:** With improved capability the trainee acquires greater confidence leading to a greater sense of control and autonomy. This in turn means that the trainees are likely to acquire 'learning to learn' skills and become more active learners who are prepared to take a greater responsibility for their learning and be open to novel experiences that make them more flexible in approach to new challenges.
- b) **From ignorance to understanding:** The development of skills through performance coaching should give the trainee a greater insight and understanding into both his or her immediate work environment and also into how the job fits into the wider organizational context. This can have a very positive effect on the individuals job satisfaction and motivation.
- c) **From superficial to Department employment in skills:** Performance Coaching should broaden and deepen the trainees of skills and abilities. Tacking more common new experiences extends the trainees capabilities and probably prevents job dissatisfaction stemming from their narrow and shallow applications.
- d) **From predictability to an acceptance of ambiguity and risk:** By extending the trainee's knowledge and skills performance coaching enables him or her to move away from the need for predictable towards tolerating greater ambiguity and risk in the tasking assignments etc., her or she undertakes.

### 5.9.3 STRUCTURE OF PERFORMANCE COACHING

It can be seen that coaching is more of a long term activity and the development of roles and is likely to be concerned with responsibilities rather than specific tasks. However, it is quite likely that the coach will have to include one to one session on specific tasks as part of the overall process. Therefore, all coaches need to be able to apply the skills of one to one trainer. For example, if an individual was being coached to take overall responsibility for managing the budget of a small department, the coach would need to include one to one training session on each tasks as setting the budget, checking involves, making monthly adjustments, are before costing. When this has been learned the coaching would develop into discussions relating to why changes may need to be made options open, factors affecting decision making dealing with priorities, liking options with departmental and organisational objectives and cost saving.

### 5.9.4 TOOLS

- a) **Seek Opportunities :** Coaching is about extending and developing an individuals knowledge and skill. Megginson and Boydell (1979) maintain that two different sets of activities or opportunities in the work situation would allow this to happen on going work routine and special assignments and job changes. In the former there are usually aspects of relative weakness that arise in, key result areas and coaching is the obvious means by which improvements can be brought about.

Opportunities under the second heading, special assignments, could include.

- Preparation for promotions
- Planned delegation
- Over riding holidays and sickness, etc.,
- Numerous development projects on service, procedures or products.
- Special parties.



**b) Establish Supportive Atmosphere:** This is an on going requirement for all effective managers and supervisors. They should set high standards, set a good example and communicate the benefits of, and support for personal development and improvement. They should not cause anxiety or fear regarding the consequences of making mistakes. Rather they should clearly show that although mistakes must be avoided where possible, nevertheless, if mistakes do occur then putting them right should be seen as a learning opportunity.

**c) Set Objectives :** In many instance the trainee is being coached in order to improve some aspect of his or her performance. Simply exhorting him or her to do your best to bring improvement may have a very limited motivational impact.

Similarly, merely handing over a task without guidance is no more than off loading. Again, as with delegation, concentrating on objectives helps to ensure that the learning will be based on something that is worth doing and will contribute to an individuals development.

**d) Asking Questions:** The coach needs to be skillful in employing questioning techniques in order to get the trainers and trainee to talk about his or her feelings, problems or ideas. The kinds of question that help the coach to explore these issues constructively are: open questions, probe questions, comparative questions, leading questions, critical questions, closed questions etc.

**e. Generating Options and Making Suggestions :** Where it is possible the coach, should attempt to encourage the trainee to come up with ideas and suggestions for improvement or development which they can both evaluate. However, there may be occasions when the coach is the obvious source of feasible options or alternatives. He or she should put them forward as suggestions for consideration by the trainees only after the trainee has exhausted his or her approaches first and not as definitive proposals.

### 5.9.5 ATTITUDES AND BEHAVIOURS THAT SUPPORT THE COACHING PROCESS

Apart from the skills on lined above, there are a number of attitudes and behaviours which need to be shown at various stages.

- \* Showing genuine concern for the trainers or subordinate in order to establish an effective and helpful relationships.
- \* Influencing the trainee towards developing greater autonomy and making his or her own decisions.
- \* Positively reinforcing a trainee's success so as to encourage him or her to be more proactive and to take more initiatives.
- \* Encouraging the trainee to think through issues and to come up with ideas.
- \* Demonstrating clearly that the development of subordinates is viewed as important.
- \* Adopting a participative management style that involves the trainee in all key stages.
- \* Giving due attention to the trainee's weakness and exploring together ways that they can overcome.
- \* Allowing the trainee to explore and expand the boundaries and limits of his or her abilities by presenting new challenges and experiences and by setting objectives which stretch ability.

- \* Emphasizing the importance of learn work and mutual support between coach and trainee.

### 5.9.6 ATTITUDES AND BEHAVIOURS THAT UNDERMINE THE COACHING PROCESS

In addition to the opposites of the positive attitudes and behaviours set out above, the coach may also express other news, opinions and beliefs and act in ways that may have a negative impact on the coaching relationship. Some of the more damaging of these negative attitudes and behaviours are :

- \* Creating dependency by either imposing solutions on the trainee or being too quick to suggest ideas or ways forward.
- \* In giving feedback, placing too much emphasis on the trainee's failures or weaknesses.
- \* Supporting a 'divide and rule' policy amongst subordinates or trainees.
- \* Attempting to solve the trainee's problems.
- \* Becoming involved in, or provoking, an argument with the trainee, thus creating a defensive and restrictive climate.
- \* Not remaining objective and becoming too unrolled or personally involved in the situation or problem.

Many of these negative behaviours don't ensure when the coach feels threatened by the expertise which is being developed by the trainee. In many ways the barriers which prevents managers from delegating are relevant in coaching role. Perhaps the most threatening of these in the subconscious or even conscious thought that by teaching subordinates too much, one's own position and value can be eroded.

## 5.10 SUMMARY

This lesson was meant to sharpen your understanding of performance appraisal system and potential appraisal and development, feedback and performance coaching.

It has been attempted to increase your sensitivity as an appraiser by bringing into focus the various problems that best the performance appraisal systems and methods. Further, the performance appraisal as a mechanism of HRD has been discussed. It has been pointed out that both the superior and subordinate have an equally important role to play in appraising the performance of the subordinate and improving his performance. The active involvement of the superior in discussions relating to the employee's performance creates a feeling of attention and care in every employee.

Potential appraisal and development, as another mechanism of HRD, has been discussed. It has been pointed out that the employees having the ability and interest to perform higher order jobs must be given scope to prove their worth and they should be assured of placement in the next higher jobs in the immediate or distant future. Identifying potential to ensure the availability of people to do different jobs keeps the people happy besides serving the organizational needs.

Knowledge of one's strengths helps one to become more effective, to choose situations in which one's strengths are required, and to avoid situations in which one's weaknesses could create problems. This also increases the satisfaction of the individual. Often, people do not recognize their strengths. Supervisors in an HRD system have the responsibility for ongoing observation and

feedback to subordinates about their strengths and their weaknesses, as well as for guidance in improving performance capabilities.

### **5.11 KEY WORDS**

Performance Appraisal  
Potential Appraisal and Development  
Feedback and Performance Coaching  
Carrer Planning  
OD or Research and Systtms Development  
Rewards  
Employe Welfare and Quality of Work Life  
Human Resource Information Systems

### **5.12 SELF ASSESSMENT QUESTIONS**

1. Discuss the concept of HRD and how the HRD mechanisms / techniques are integrate with HRD system?
2. Explain briefly the various methods of performance appraisal, and comment on their pros and cons
3. What are the major problems of performance appraisal ?
4. Describe the characteristics of an effective performance appraisal system.
5. How is an HRD oriented performance appraisal used?
6. Explain how potential appraisal and development contributes in achieving the goals of HRD systems.
7. Feedback and performance coaching are essential in HRD system discuss ?

### **5.13 FURTHER READINGS**

Decenzo, David.A and Robbins Stephen P, Personnel/Human Resource Management, Prentice Hall of India Private Limited, New Delhi, 1989.

Monappa, Arun: Managing Human Resources, Macmillan India Limited, 1997.

Monappa, Arun and Saiyadain, Mirza S: Personnel Management (Second Edition), Tata McGraw Hill, NewDelhi, 1996.

Rao, T.V., and Perera, D.F.(ed.): Recent Experiences in HRD, Oxford & IBH, New Delhi, 1986.

Venkataratnam, C.S. and Srivastava, B.K: Personnel Management and Human Resources, Tata McGraw Hill, New Delhi, 1991.

**Dr. G.B.V.L. NARASIMHA RAO**

**LESSON : 6****CAREER PLANNING AND DEVELOPMENT, OD / RESEARCH AND SYSTEMS DEVELOPMENT, REWARDS, EMPLOYEE WELFARE & QUALITY OF WORK LIFE, AND HRIS****LEARNING OBJECTIVE :**

After going through this lesson, you should be able to :

- \* Know the remaining subsystems contribute to HRD goals.
- \* Familiar with concept of career planning and development.
- \* Study the concept of OD and research and systems development.
- \* Visualise the role of rewards, employee welfare and quality of work life, and HRD.
- \* Understand the Importance of HRIS for HRD.

**LESSON STRUCTURE :**

- 6.1 Introduction
- 6.2 Career planing and development
- 6.3 Organization development or research and systems development
- 6.4 Rewards
- 6.5 Employee Welfare and Social Security
- 6.6 Quality of Work life
- 6.7 Human Resource Information Systems
- 6.8 Summary
- 6.9 Self Assessment Questions
- 6.10 Further Readings

**6.1 INTRODUCTION**

In this lesson an attempt has been made to explain the meaning of career planning and career path, and why they are considered as essential aspects of managing men for obtaining optimum performance from them. A description of steps involved in the career planning process aimed at integrating the individual needs and aspirations with organizational requirements are presented. Further an attempt has been made to give a clear picture of how the career planning and career paths serve as mechanism of HRD in achieving the objectives of the HRD system and further discussed the Organisation Development / Research and Systems Development, Rewards, Employee Welfare and Quality of Work life and at the end of this lesson the concept of Human Resource Information Systems also has been discussed indetail.

**6.2 CAREER PLANNING AND DEVELOPMENT**

Career Planning is a process whereby an individual sets career goals and identifies the means to achieve them. The major focus of career planning is one helping the employees achieve

a better match between personal goals and the opportunities which are realistically available in the organization.

Individual or organizational careers are not separate and distinct. A person whose individual career plan cannot be carried out within the organization will probably leave the firm sooner or later. Thus, organizations should assist employees in career planning so that both can satisfy their needs.

### 6.2.1 NEED FOR CAREER PLANNING

Career planning is necessary because:

1. An individual's career goals are more likely to be reached if he or she develops a plan to reach these goals.
2. With a career plan a person is much more likely to experience satisfaction as progress is made along the career path.
3. From the organization's point of view, career planning can reduce costs due to employee turnover.
4. The fact that an organization shows interest, in an employee's career development also has a positive effect on the employee. Under these circumstances, employees feel that they are regarded by the organizations as part of an overall plan and not just as numbers.
5. Career Planning ensures increasing utilization of managerial reserves at all levels within the organizations.
6. It also ensures performance of employees at satisfactory levels by meeting their needs and aspirations for growth.
7. It maintains and improves motivation and morale of employees.
8. An organization with well-designed career plans will be able to have a better image in the employment market, and it will attract and retain competent people.

From the organization viewpoint, career planning has three major objectives:

- a) To meet the immediate and future human resource about the organization on a timely basis.
- b) To better inform the organization and the individual about potential career paths within the organizations.
- c) To utilize existing human resources programmes to the fullest by integrating the activities (which select, assign, develop) and individual careers with the organization's plans.

### 6.2.2 WHO DOES THE CAREER PLANNING

Basically career planning is an individual's responsibility. However, in the organizational context, it is the organization's responsibility to guide and direct the employees to develop and utilize their knowledge, abilities and resource towards organizational development and effectiveness. Employees goals have to be integrated with the organizational goals. But in recent years, many organizations' have been considering it (career planning) the responsibility of the employees themselves to acquire necessary merits for advancing to higher positions in the organization. The organization may provide them some guidance and counselling for planning their careers.

### 6.2.3 CAREER PLANNING PROCESS

A general approach to career planning would involve the following steps :

- (i) Analysis of the characteristics of the rewards and incentives offered by the prevailing career

system needs to be done and made known to employees. Many individuals may not be aware of their own career progression paths as much information may be confined to only a select group of managers.

- (ii) Analysis of the characteristics of the hopes and aspirations of different categories of employees including identification of their career anchors (a career anchor represents the basic drives acquired by an individual during the socialisation process which urge him to take up a career of a certain type) must be done through objective assessment. Most organizations assume that the career aspirations of individual employees need not be in tune with the reality. The individuals may not have a clear idea of their short term, long-term, life goals, and may not be able to analyse their aspirations and career anchors.
- (iii) Mechanisms for identifying congruence between individual career aspirations and organizational career systems must be developed so as to enable the organization to discuss cases of mismatch or incongruence. On the basis of the above analysis, it will be necessary to compare and identify specific areas of match and mismatch for different categories of employees.
- (iv) Alternative strategies for dealing with mismatch will have to be formulated. Some of the strategies adopted by several organizations include the following:
  - a) Changes in the career system by creating new career paths, new incentives, new rewards, by providing challenges through job redesign opportunities for lateral movement and the like.
  - b) Change in the employees' hopes and aspirations by creating new needs, new goals, new aspirations or by helping the employees to scale down goals and aspirations that are unrealistic or unattainable for one reason or the other.
  - (c) Seek new basis of integration, compromise or other forms of mutual change on the part of both employees and organization through problem solving, negotiations or other devices.

#### **6.2.4 LIMITATIONS OF CAREER PLANNING**

Although career planning has several advantages, it has its own difficulties and problems, such as the following :

- 1) It does not suit very small organization. If career planning has to become a reality there should be opportunities for vertical mobility in the organization.
- 2) In developing countries like India, career planning may not be so effective if it is attempted for a period exceeding a decade. This is because in the developing countries environmental factors like political philosophy, new concepts of social justice, new fiscal and monetary policies state intervention in the working and employment conditions etc., affect the growth of industrial enterprises and other organizations.
- 3) Political intervention, favouritism and nepotism in promotion, and reservation of seats for certain categories of people may make it difficult to have systematic career planning.
- 4) Practical problems of maintaining a balance between the promotes and recruits.
- 5) The absence of integrated personnel policy and plans which is quite common in Indian enterprises.

#### **6.2.5 FACTORS CONTRIBUTING TOWARDS THE SUCCESS OF CAREER PLANNING**

1. If career planning is to be feasible, business enterprise should be expanding. In such organizations long-term projection of the requirement of the technical and managerial personnel can be made and the same can provide scope for vertical mobility of promotion.
2. An organization must have clear corporate goals for five, ten and fifteen years. On the basis of such corporate plans, It should conduct analysis periodically of the types of changes, its functions, activities, procedures, technology and materials. Unless this is done the organization cannot develop the manpower development system, thus reducing the need for career planning.
3. For making a career planning programme effective, interested, goal-directed, motivated and hard working employees are essential.
4. Selection of the right man for the right job.
5. Career planning will be made effective if it takes the form of fair promotion policy supported by systematic training for those who are trainable, and willing and eager to learn higher skill.
6. Wide internal publicity is to be given about a career plan.
7. Maintenance of proper age balance in career planning is also necessary to avoid rapid promotions and promotion blocks caused by an age structure which is over balanced either on the side of aged or that of the youth. Such blocks will not only create problems and difficulties for the smooth working of career plans, but may also affect the growth and effective functioning of the organization.

#### **6.2.6 CAREER PLANNING AS A MECHANISM OF HRD**

As mentioned earlier, career planning is one of the HRD mechanisms which is used in achieving the objectives of the HRD systems. As such, this mechanism needs to be put into proper use. It is against this backdrop we shall discuss about the career planning

In organizations that subscribe to HRD, the corporate growth plans are not to be kept as a secret. The top management keeps on doing once in a few years long range planning for the employees. This is because the HRD philosophy assures that people work better when they are trusted and they see meaning in what they are doing. So all the staff should know at least broadly the plans of the company.

Such knowledge is also used for preparing the employees for change when such change is planned. Sometimes before the change is introduced, it is discussed at various levels. This also increases employee commitment.

To cope with the growing demands of the growing organizations the companies continuously strive to keep the talent readily available. Also, at the individual level every employee would like to know the possibility of his own growth and career opportunity. This is done by every senior in helping his junior plan his career. Some times the planning may not become a reality but they are prepared to do a good job in their new roles.

#### **6.2.7 WHAT ARE CAREER PATHS?**

Career paths represent logical and possible sequences of positions that could be held, based on what and how people perform in an organization. Career paths represent real career progression possibilities, both lateral and upward. These are, of course, tentative and flexible and

may change over time. The knowledge skills and other attributes required to perform effectively at each position along the paths and how they can be acquired must be, specified.

Development of a career system, comprising of individual career paths also becomes necessary. This involves (a) analysing jobs to determine similarities and dissimilarities among them (b) grouping jobs with similar behavioural requirements in the job families, (c) identifying career paths within and among job factors and (d) integrating the overall network of career paths-single career system.

From the foregoing discussion it is clear that career paths come under the organizational component of the career planning which puts emphasis on the organization's responsibility (in career planning). Needless to say, the active role played by the organizations in respect of career paths will be highly appreciated by the employees.

For an insight with the practical aspects, career paths for different types of jobs are illustrated below. Career paths for different types of jobs.

- (a) Unskilled (worker), Semi skilled, Highly skilled, Foreman;
- (b) Junior Clerk, Senior Clerk, Assistant Section Officer, Under/Dy.Secretary;
- (c) Supervisor, Assistant Manager, Deputy Manager, General Manger;
- (d) Labour Welfare Officer, Personnel Officer, Personnel Manager, Chief Personnel Manager, Director (Personnel).

**Note:** Advancements on the above career paths may be time bound, as and when vacancy arises, based on seniority, merit, seniority-cum merit, merit-cum-seniority etc.

### 6.3 ORGANISATION DEVELOPMENT OR RESEARCH & SYSTEMS DEVELOPMENT

Organization Development (OD) is a powerful set of concepts and techniques for improving organizational effectiveness and individual well being that has its genesis in the behavioural sciences and was tested in the laboratory of real world organizations. OD addresses the opportunities and problems unrolled in managing human dynamics in Organizations. It offers solutions that have been shown to world. OD consists of intervention techniques, theories, principles and values that show how to take charge of planned change efforts and achieve success.

Understanding the importance of OD and its application is important for several reasons. Firstly, it improves individual performance, create better morale, and increases organizational profitability. Many chronic problems of organizations can be cured by OD techniques.

Secondly, the use of OD is growing. The approach and methods of OD are applied throughout the games of today's organization/industries, manufacturing and service companies, high-technology and low-technology organisation and public, and private sector institutions all have sponsored successful OD programmes.

#### 6.3.1 DEFINITION

The words organization development refer about organization and developing them. According to Edgar Schein, "an organization is the planned coordination of the activities of a number of people for the achievement of some common explicit purpose or goal through division of labour and function



and through a hierarchy of authority and responsibility. Organizations are social systems possessing characteristics described by Schein, and OD efforts are directed towards organizations or major supports of them.

Development is an art of process, result, or state of being developed, in term, it means to advance to promote the growth of, to evolve the possibilities of, to further, to improve or to enhance something. Two elements of this definition seen important first development may be an act of process, or state; second development refers to “feathering” something.

Combining these words suggests that OD is the act, process or result of further, advancing or promoting the growth of an organization. According to these definitions OD is anything done to better organization. But this definition is too broad and all inclusive. It can refer to almost anything done in an organizational context that enhances the organization, firing an incompetent, merging with another organization, installing a computer, removing a computer, buying a new plant, and so on. The definition serves neither to identify and specify nor to delimit (perhaps some thing done to worsen an organization would be ruled out). The OD must give added meaning, must refer to some thing more specific.

Another way of defining OD is to examine the following definition

OD is an effort (a) planned organization and managed from the top to (b) increase organization effectiveness and health through (c) planned interventions in the organizations processing behavioural science knowledge.

**a) OD is a planned change effort**

An OD programme involve a systematic diagnosis of the organization, the development of a strategic plan for improvement, and the mobilization of resources.

**b) OD involves the total system :**

An OD effort is related to total organization change such as change in the centre or the reward systems on the total management strategy. There may be tactical efforts which work with the organization but the system to be changed as a total relatively autonomous organization. This is not necessarily a total corporation or an entire government, but refers to a system which is relatively free to determine its own plans and future within every general constructions from the environment.

**c) OD is managed from the top**

In an OD effort, the top management of the system has a personal investment in the programme and its outcomes. They actively participate in the management of the effort. This does not mean that it must participate in the same activities as others, but it does mean that they must have both knowledge and commitment to the goals of the programme and must actively support the methods used to achieve the goals.

**d) OD is designed to increase organization effectiveness and Health**

To understand the goals of OD, it is necessary to have some picture of what an ideal effectively healthy organization would look like. What would be its characteristics? Number of writers although they differ in detail, indicate a strong consensus of what a healthy operating

organization is. Miles et al. define the healthy organization in three broad areas those concerned with task accomplishment those concerned with internal integration, and those enrolling mutual adaptation of the organization and, its environment. The following dimensional conditions are listed for each area.

In the task accomplishments are a healthy organization would be one with (i) reasonably clean, accepted, achievable and appropriate goals; (ii) relatively understood communication flow; (iii) optional power equalisation. In the, area of integral integration, a healthy, organization would be one with (iv) resource utilization and individuals' good fit between personal disposition, and role demands; (v) a reasonable degree of cohesiveness and Organization Identity, clean and attractive enough so that persons feel actively concerned to it; (vi) high morale. In order to have growth and active chance fullness, a healthy organization would be one with innovativeness, autonomy, adaptation and problem solving adequately.

e) **OD achieves its goals through planned intervention using behavioural science knowledge**

The modern approach to the management of Change and the development of change and the development of human resources is called OD. Although the still not a universally, agreed upon definition. Bennis suggests that it is a response to change, a complex educational strategy. Intended to change the beliefs, attitudes, values, and structure or organizations so that they can better adapt to new technologies, markets, and challenges and the dizzying rate of change itself.

### 6.3.2 FRENCH BELL HAVE OFFERED A COMPREHENSIVE DEFINITION

“OD is a long range effort to improve an organizations problem solving and reviewable processes, particularly through a more effective and collaborative management of organization culture with special emphasis on the culture of formal course teams with the assistance of change. Agent or catalyst, and the use of technology for applied behaviour science, including action research”.

The following summaries the major characteristics of OD.

- i) **Planned change:** Bennis was one of the first to emphasize the need for systematic, planned change. This planned emphasize separated OD effort from other of more haphazard change that frequently occur in modern organizations.
- ii) **Comprehensive change:** Most OD experts emphasize that efforts generally involve a ‘total system’. The entire organization or an identifiable unit within it is the unit of analysis.
- iii) **Emphasis on some group:** Although some OD efforts are aimed at individual and organizational change they should be oriented towards groups. There is a sociological flavour added to OD.
- iv) **Long-range change:** OD experts emphasise that the process takes months or, in some cases, years, to implement although they are presumed to give results, the OD process is not intended to be stopgap measure.
- v) **Participation of a change agent:** Most OD experts stress the need for ancutside, third-party “change agent” or catalyst.
- vi) **Emphasis upon intervention and action research:** The OD approach results is an active

intervention in the ongoing activities of the organization. Action research attacks practical problems but differs from applied research in that the researcher (change agent) is involved in the actual change process in OD.

The desired organizational outcomes of OD efforts include understand the effectiveness, problem solving and adaptability for human resource development. OD attempts to provide opportunities to human and to increase awareness, participation, and influence. An Overriding and organizational objective.

### 6.3.3 HISTORY OF OD

It is difficult to pin point the precise beginning of OD, French and Bell, who have done the work on the historical development of OD, felt that OD has enhanced from applied behavioural sciences and social psychology from subsequent efforts to apply laboratory training and Survey feed back which insight into total systems. Thus, the two major historical systems for OD are laboratory training and survey feed back. The work of the pioneering social, psychologist Kurt Lewin was Instrumental in both approaches.

#### a) Traditional Approaches to OD

Laboratory training applications to OD have two major techniques. One is the historically significant T-Group sensitivity training approach, and the other is the widely used grid training. These three traditional techniques are even now, widely used approaches to OD.

#### b) Modern techniques to OD

In addition to the traditional approaches there are many other Important techniques used in OD. The sensitivity training can be used as a major OD intervention at both the intra individual and interpersonal levels; survey feed face is applied at both the interpersonal intergroup and total organizational level and grid training in its various phases or as a whole is applied to all three levels.

Although there are other OD interventions that are some times used as intra individual (e.g., life and career planning, which helps individuals identify strengths and weaknesses in order to focus on their life and career objectives and how they achieve them) and total organization (e.g., techno structural interventions that strategically improve the technical structural inputs) levels, most of the modern relay used (efforts, one aimed at the interpersonal undergroup levels. Besides the sensitivity training, survey techniques, three of the most important interventions under personal group level are process consultation their party peace making and team building.

### 6.3.4 TRANSACTIONAL ANALYSIS (TA)

Transactional Analysis (TA) is given attention on OD. Most OD experts do not feel that it is a fullfledged intervention strategy, they treat as a useful tool to help people better understand themselves. The applications of TA is not limited to OD efforts. Similarly sensitivity training and TA applications are widely used to analyse group dynamics and interpersonal communication. As an OD tool it has been pointed out that the purpose of TA is to help the people involve better, understand their own ego states and those of others, to understand the principles behind transactions and games, and to interact in more meaningful ways with one another. Eric Berne is usually credited with starting the TA movement with his best selling book games people play, and Thordas Hans's book 'I am OK-You are OK' for their popularised TA. The books of James are more relevant to OD

applications.

TA uses psychoanalytic theory as back ground for identifying three important ego states, child, adult and parent. These three ego states are roughly equivalent to the Freudian concept of it (child), ego (adult) and superego (parent).

### COMPARISONS BETWEEN HRD AND OD

Nadler (1980, 1989) made an attempt to explain the relationship between HRD and OD. He distinguishes between HRD, HRM and HRE/OD activities. Based on the conceptual frameworks, a comparison could be drawn between the HRD and OD dimensions like goals, unit of focus, content of training etc.

### A COMPARISON OF HRD AND OD

Sl. No.	Dimension	HRD	OD
1.	Unit of focus	<ul style="list-style-type: none"> <li>1 Individual work units, inter group dyads.</li> </ul>	<ul style="list-style-type: none"> <li>1 Interpersonal relationships, teams,</li> </ul>
2.	Goals	<ul style="list-style-type: none"> <li>1 Development and upgrade individuals skills, knowledge and abilities for present and future roles.</li> </ul>	<ul style="list-style-type: none"> <li>1 Create conditions where decisions are made on the basis of competence rather than original role.</li> <li>1 Create conditions where conflict are managed creatively rather than avoided</li> <li>1 Develop self renewing capabilities of organisation.</li> </ul>
3.	Interactions	<ul style="list-style-type: none"> <li>1 Job Rotation</li> <li>1 Performance appraisal</li> <li>1 Training</li> <li>1 Succession planning</li> <li>1 Performance Counselling</li> </ul>	<ul style="list-style-type: none"> <li>1 Team Building.</li> <li>1 Organisation structure and changes.</li> <li>1 Survey feed back.</li> <li>1 L-groups.</li> <li>1 Role -negotiation.</li> <li>1 Job enrichment.</li> </ul>
4.	Time frame	<ul style="list-style-type: none"> <li>1 Short range / Long range</li> </ul>	<ul style="list-style-type: none"> <li>1 Long range.</li> </ul>
5.	Self-requirements	<ul style="list-style-type: none"> <li>1 Trainer / Manger</li> <li>1 Design of Training programmes</li> </ul>	<ul style="list-style-type: none"> <li>1 Facilitation / consultant</li> <li>1 Knowledge and skill in applied Behavioural Science.</li> </ul>
6.	Conception of Learning process.	<ul style="list-style-type: none"> <li>1 Cognitive and rational</li> </ul>	<ul style="list-style-type: none"> <li>1 Emotional, Motivational.</li> </ul>
7.	Learning goals.	<ul style="list-style-type: none"> <li>1 Rationality and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>1 Awareness, adaptation and change.</li> </ul>

### 6.3.5 OD INITIATION IN INDIAN ORGANISATIONS

HRD and OD shares a common goal of developing the individuals i.e., to broaden the perspective of individuals through experience and provide them new insights about themselves and their organisations. However the mechanisms used by HRD and OD to achieve the developmental objective differ.

OD is one of the basis of the 'integrated HRD systems model' proposed by T.V. Rao (1982) In this model, OD is shown as one of the subsystems of HRD system and is concerned with team and framework developing collaboration among different units and developing self renewal capabilities and health of the organisation. The model also emphasises the role of OD in helping any department or unit in the company that is having problems such as absenteeism, low production, interpersonal conflict, or resistance to change.

The boundaries of HRD and OD are different yet similar. The situation is not clear or different in the corporate sector. There are some organisations that treat the OD activities as part of HRD function, eg. Modi Xerox, CMC etc., on the other hand some organisations like SBI, Eicher treat OD as a separate activity as distinct from HRD function and have OD facilitations along with OD Cells or Departments in the organisation.

## 6.4 REWARDS

Rewards, Employee Welfare Quality of Work Life are the mechanisms of HRD which could contribute significantly in achieving the goals/objectives of the HRD system in any organisation. The goal of an HRD system includes developing a) capabilities of each employee as an individual; b) capabilities of each individual in relation to his or her present role; c) capabilities of each individual in relation to his or her expected future role (s); d) dynamic relationship between each employee and his or her supervisor) team spirit and functioning in every organisational unit (department, group etc.); f) collaboration among different units of the organisation; and g) the organisation's overall health and self-renewing capabilities which in turn increase the enabling capabilities of individuals, dyads, teams and the entire organisation.

Organisations rewards employee performance and behaviour and provide welfare measures an attempt to ensure a good quality of work life to the employees with the hope that the same would motivate the employees to commit themselves to the achievement of organisational goals.

### 6.4.1 PURPOSE OF REWARDS

Rewarding employee performance and behaviour is an important part of HRD. Appropriate rewards not only recognise and motivate employees, but also communicate the organisation's value to the employees. In HRD systems innovations and use of capabilities are rewarded in order to encourage the acquisition of positive attitude and skills.

### 6.4.2 TYPES OF REWARDS

Decenzo and Robbins (1989) have identified and following types of rewards i) intrinsic and extrinsic rewards ii) financial and nonfinancial rewards iii) performance based and membership based rewards.

#### i) Intrinsic and Extrinsic Reward

Intrinsic rewards are the satisfactions one gets from the job itself. These jobs are self-initiated rewards such as having pride in one's work, having a feeling of accomplishment, or being

part of a team. The techniques of job enrichment, shorter workweeks, flexi-time, and job rotation can offer intrinsic rewards by providing interesting and challenging jobs and allowing the employee greater freedom. Extrinsic rewards include money and fringe benefits. Their common thread is that they are external to the job and come from an outside source, mainly management. Thus, if an employee experiences feelings of achievement or personal growth from a job, we would label such rewards as intrinsic. If the employee receives an increase in salary bonus or a writeup in the company magazine, we would label those rewards as extrinsic.

## ii) Financial and Nonfinancial Rewards

Rewards may or may not enhance the employee's financial wellbeing. If they do, they can do this directly - through wages, bonuses, profit sharing, and the like, or indirectly through supportive benefits such as paid vacations, paid sick leaves, and purchase discounts.

Nonfinancial rewards cover a wide variety of desirable things that are potentially at the disposal of the organisation. Their common link is that they do not increase the employee's financial position. Instead of making the employee's life better off the job, nonfinancial rewards emphasize making life on the job more attractive.

For some employees, having a chance to work with congenial colleagues, and achieving a desired work assignment or an assignment where the worker can operate without close supervision are nonfinancial rewards. As such rewards are within the discretion of management, the same are to be used carefully. If this is done, these rewards can provide stimulus for improved performance by the employees.

## iii) Performance-based and Membership-based Rewards

The rewards that the organization allocates can be said to be based on either performance criteria or membership criteria, performance-based rewards are exemplified by the use of commissions, piece work pay plans, incentive systems, group bonuses and other forms of merit pay plans. On the other hand, membership based rewards include cost of living increases, profit sharing, benefits and, salary increases attribute to labour market conditions, etc.

### 6.4.3 QUALITIES OF EFFECTIVE REWARDS

Research indicates that rewards work best when they are individualized to reflect differences in what employees consider important, perceived as equitable are visible and flexible, and can be allocated at a relatively low cost. These properties are expanded below:

#### a) Importance

One should not assume that a particular reward is universally important to all employees. Money, for example, can have different meanings to different people. It may represent basic security, love and power, a measure of one's achievements, or merely the means to a comfortable life style.

Research indicates that motivation is optimized when employees see rewards as satisfying their individual needs. Therefore a good reward system should be designed to offer homogenous rewards to a heterogenous labour force. Employees should be rewarded with what they individually consider important.

#### b) Equitable Distributions

Employees always compare themselves with others (peers) in the same organisation besides

others outside and if they perceive that they are getting less reward than their colleagues with similar qualifications and expertise, then the rewards are perceived as inequitable. If the contribution is perceived to be more than the inducement the principle of equity, in order to return to a balanced state, either an employee reduces his contribution or pressurizes the management to increase the inducement. Seeking to maintain balance between contribution and inducement is a continuous subjective, process and is a necessary condition for achieving the purposes for which reward system is developed. Such a balance can be perceived and equity can be maintained if the reward system is based on predetermined and widely shared performance criteria.

**c) Visibility**

A reward that is not visible to the employee may fail to get the desired motivating effect from the employee. On the other hand a truly visible reward gets the attention not only of individuals but also of their peers. This latter quality means visible rewards can contribute to satisfying an employee's esteem and recognition needs.

Managers can increase the visibility of rewards in several ways. These include: well publicised bonuses, allocating annual salary increments in a lump sum rather than spreading them out over the entire year, and eliminating the secrecy surrounding pay by openly communicating every one's compensation.

**d) Flexibility**

An effective reward is one that has the flexibility to vary with changes in performance. As a case in point, praise is a flexible reward in that its amount can be varied in allocation to and among individuals. However, it suffers from diminishing returns. Continued use of praise results in the reward losing its importance.

**e) Low Cost**

Rewards are not free goods, and the organisations must consider the costs along with the benefits from any reward. A high-cost reward simply cannot be given out often. If it is given often, it reduces organisational effectiveness as a result to its cost. All other factors equal, the lowest cost reward should be preferable.

## **6.5 EMPLOYEE WELFARE AND SOCIAL SECURITY**

The ILO Regional conference described welfare to mean such services, facilities and amenities, which may be established outside or in the factory or undertakings to enable the persons employed therein to work in healthy and congenial surroundings and to provide them with amenities conducive to good health and high morale.

The Report of the Committee on Labour Welfare (1969) includes under it "such services, facilities are sanitary and medical facilities, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes and such other services, amenities and facilities, including social security measures as contribute to improve the conditions under which workers are employed".

In other words, labour welfare services include all extra mural and intramural welfare work, statutory and nonstatutory welfare facilities undertaken by the employers, governments, trade unions or voluntary agencies. They also include social security measures which contribute to workers welfare such as industrial health, insurance, provident fund, gratuity, maternity benefits workmen's

compensation, retirement benefits, etc.

Labour welfare work can be statutory or nonstatutory. Statutory welfare measures are those services whose implementation depends on the coercive power of the government. Government ensures this by enacting certain rules to enforce minimum standard of health and safety of workers. Nonstatutory welfare measures include, those activities undertaken for the welfares of employees on a voluntary basis.

### 6.5.1 OBJECTIVES OF LABOUR WELFARE

The objective of a labour welfare could be partly humanitarian to enable the employees to enjoy a fuller and richer life, and partly economic to improve their efficiency and partly civic to develop among them a sense of responsibility and dignity as noble citizens of the nation.

The humanitarian approach has been gradually dominated by a more utilitarian approach. The latter views welfare through an economic framework. The possible cost benefit to the organisation gains greater concern through improved or quicker output from the employees.

Through well-thought out welfare measures, an organisation can enhance the employees efficiency and output. Moreover, through an attractive package of welfare measures the organisation can undoubtedly attract and retain better people.

### 6.5.2 STATUTORY WELFARE PROVISIONS

After Independence the Government of India passed several legislation to ensure a fair deal to employees in various aspects of their jobs The important legislations are: The Factories Act, 1948. The Plantation Labour Act, 1961, and the Contract Labour (Regulation and Abolition) Act, 1970. The list of various welfare measures provided under the Factories Act, 1948 and the Mines Act, 1952 are as follows.

#### i) The Factories Act, 1948

This act is applicable to premises including precincts thereof where ten or more workers are employed with the aid of power, of where 20 or more workers are employed, without the aid of power.

The Act covers areas including health, safety, welfare, working hours, annual leave with wages and employment of women and children.

The Welfare Amenities provided under the act include: a) washing facilities, b) sitting facilities for occasional rest for workers who are obliged to work standing, c) facilities for storing and drying clothing; d) first-aid boxes for one for every 150 workers cupounds; and ambulance facilities if there are more than 500 workers; (e) canteens in factories employing more than 250 workers, shelters; f) rest rooms and lunch rooms, creche- if employing more than 30 women; and h) appointment of Welfare Officer if the factory is employing more than 500 workers.

#### ii) The Mines Act, 1952

As per the provisions of this act, the mine owners should make provisions for (a) maintenance of creches where 50 or more women workers are employed; (b) shelters for taking foods and rest if 150 or more workers are employed; (c) a canteen in mines employing 250 or more workers; (d) maintenance of first-aid boxes and first-aid rooms in mines employing more than 150 workers; (e)



(i) pithead baths equipped with shower baths (ii) sanitary mines and (iii) lockers, separately for men and women workers; and (f) appointment of a Welfare Officer in mines employing more than 500 persons to look after the matters relating to the welfare of the workers.

### 6.5.3 NONSTATUTORY WELFARE MEASURES

The nonstatutory welfare measures include those measures which are voluntarily provided by the employers. Some of the nonstatutory measures provided to the employees are: a) housing facilities; b) educational facilities both for the employees and their children; c) transport facilities for workers residing far from the work place; d) recreation, facilities both for the employees and their families; e) consumer cooperative societies fair price shops. These are the minimum facilities that the employers should provided to ensure that (a) the employees and their family members are provided minimum shelter, (b) the employees are given scope to update their knowledge and their children are encouraged to avail the educational facilities; c) the employees do not find it difficult to commute from his/her place of residence (if it is far off from the place of work) to the workplace; (d) the mental and physical development of employees (recreational facilities); (e) the employees get loans from the credit society at the time of exigencies and get a regular supply of essential items. It is assumed that the nonstatutory welfare measures will directly influence employees productivity.

### 6.5.4 SOCIAL SECURITY MEASURES

The concept of social security is essentially related to the high ideals of human dignity and social justice. It is in a way, like pillars of the welfare state. Social security programmes are increasingly being accepted as useful and necessary instruments for the protection and stability of labour force.

The ILO defines social security as the protection which society provides for its members through a series of public measures, against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, old age, and death, the provision of medical care; and provision of subsidies for families with children.

In India a number of legislative measures have been adopted to ensure certain social security benefits. The Workmen's Compensation Act, 1923 was enacted to provide injury compensation to industrial workers; compensation to family members of the worker in the event of his death occurring during and in the course of his employment. The Employees State Insurance Act, 1948 was enacted to provide the following benefits to the employees (insured under the act) i) sickness benefit; ii) maternity benefit (for women employees); iii) disablement benefit; iv) medical benefit and in the event of his death occurring during and in the course of employment (v) dependant benefit provided to the eligible dependent employee and (vi) funeral benefit.

The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 was passed with the objective of making some provisions for the future of the industrial worker after he retires, from dependents in case of his early death, and to cultivate a spirit of saving among the workers. The Employees' Family Pension Scheme, 1971 was instituted with the objective of providing longterm recurring financial benefit to the family of the member in the event of his premature death while in-service. Under the Maternity Benefit Act, 1961 which is an establishment not covered under the ESI Act, subject to eligibility a woman can get maternity leave upto 12 weeks with full wage/salary under The Payment Gratuity Act, 1972, after retirement an employee is entitled to 15 days wages for every completed year of service. The total gratuity payable shall not exceed more than 20 months wages.

## 6.6 QUALITY OF WORK LIFE (QWL)

One of the major concerns in the developing and developed countries is how to enhance the Quality of Work Life (QWL) of a vast majority of employees engaged in productive pursuits. QWL is not just achieving human satisfaction but it also aims at improving productivity, adaptability and over all effectiveness of organisations. The QWL movement in a broader sense seeks to achieve integration among the technological, human, organisational, and societal demands which are often contradictory and conflicting.

The quest for improved productivity through human resources has its beginning in the early 1900s. F.W. Taylor's scientific management principles created a new awareness regarding human resources, who were earlier considered as mere instruments of production, ready to work from dawn to dusk under whatever conditions and being motivated by the lure of money from them. Till today continuous research and experiments have been undertaken to understand human beings at work and the ways to improve their job satisfaction balanced with the aim of organisations to combine better productivity with job and employee satisfaction. In order to achieve these twin objectives, different approaches have been developed and applied. The concept of QWL has originated from this continuous research process.

### 6.6.1 EVOLUTION OF QWL

Walton (1973) attributes the evolution of QWL to various phases in history. Legislation enacted in early twentieth century to protect employee from job-injury and to eliminate hazardous working conditions, followed by the unionization movement in the 1930s and 1940s were the initial steps. Emphasis was given to job security, due process at the workplace and economic gains for the worker. The 1950s and the 1960s saw the development of different theories by psychologists proposing a positive relationship between morale and productivity, and the possibility that improved relationship would lead to the enhancement of both. Attempts at reform to acquire equal employment opportunity and job enrichment schemes were also introduced. Finally, in 1970s the idea of QWL was conceived which, according to Walton QWL is broader than these earlier developments and is something that must include the values that were at the heart of these earlier reform movements and human needs and aspirations.

The theories of motivation and leadership provided a sound base for the concept of QWL. Maslow (1954) depicted the complexity of human nature by describing various levels of human needs and satisfaction. As soon as the lower order needs are satisfied, people seek satisfaction for the higher-order needs. But what really motivates the worker? Herzberg (1968) went a step further, and distinguished 'hygiene factors' (maintenance factors), which maintains a reasonable level of motivations and the motivational factors which can improve performance. McGregor in his "theory Y" assumed that under proper conditions, people have the potential to work with responsibility.

The research continued and many questions remained unanswered. How can one convert the work life as a way of life? How can both exist in harmony imbalances in the worker's psyche and physique? How distant is the way to reach the state of life of a pleasant experience through work? Researchers have tried to answer these questions through the concept of QWL, yet the concept remained nebulous in the 1970s.

### 6.6.2 DEFINITION OF QWL

There have been divergent views on what really is QWL. But the eight conceptual categories proposed by Walton (1973) while explaining the concept of QWL appear to convey a clear and

detailed understanding of the term QWL. These are:

1. Adequate and fair compensation
2. Safe and healthy working conditions
3. Immediate opportunity to use and develop human capabilities (job autonomy etc.)
4. Opportunities for continued growth and security.
5. Social integration in the work organisation (absence of hierarchical status, opportunity for upward mobility, openness and trust, a sense of community feeling on the job etc.)
6. Constitutionalisation in the work organisation (right to personal privacy, free speech, equitable treatment, etc.)
7. Work and total life space (availability of sufficient time non-work life activities).
8. The social relevance of work life (social responsibility of the organisation).

In the 1980s, the concept of QWL has been broadened to include a number of approaches aimed at joint-decision making celebration and mutual respect between management and employee increased job autonomy at work place, and self management.

Thus it is clear that QWL is not based on a particular theory and it does not advocate a particular technique for application. Instead, physical, social and psychological impact that work has on people as well as on organisational effectiveness. Direct participation of employees in problem solving and decision making particularly in areas related to their work is considered to be necessary condition for providing greater self control to workers with the ultimate objective of upgrading the quality of life at work. The recognised purpose is to change the climate at work so that the human technological organisational interface leads to a better QWL and eventually to an improved quality of life in community and society.

### 6.6.3 THE QWL MOVEMENT IN INDIA

With the encouragement of the International Labour Organisation and the National Institute of Labour, Delhi (now, V.V. Giri, National Labour Institute, Noida), the QWL as a movement started attracting the attention of both academicians and the practitioners in India only a couple of decades ago. The factors that seen to have led to the movement can be summarized as follows :

1. The profile of the Indian worker has changed substantially over time. From an illiterate, rural, low caste individual to educated, urban and essentially belonging to upper caste position, the worker has come a long way. He seems to have different hopes and aspirations.
2. In recent years, a growing emphasis has been placed on the significance of human resources in India. Now there has been a realisation that along with finance, and machines, workforce is an equally, perhaps more, significant input in the, survival of an organisation. As such, it has been the endeavour of some of the organisations to give proper recognition and reward.
3. In recent years, the damage/loss caused by industrial unrest in our country has been severe. Hence, more and more people are thinking of ways and means to minimise the unrest and possibly prevent the same.
4. Finally, as a result of growing body of knowledge in human behaviour both the academicians and the practitioners are gaining the necessary confidence to think of innovative modules to

understand, predict and control human behaviour. Now there is a growing trends of experimenting with newer concepts theories and framework which is laying the foundation for determining most effective utilisation of human resources by inculcating a new sense of freedom and resultant increase in productivity.

In India, the concept of QWL seems to manifest itself in a variety of operational systems like workers participation in management, job enrichment, quality circles, etc. It is not out of place to present here the recommendations made at the seminar on 'Improving QWL', organised by the National Productivity Council of India in 1981. The seminar made the following recommendations with regard to the responsibilities of various agencies in improving QWL.

**i) Responsibilities of Employers**

- a) Provision of physical amenities at the workplace, health and safety, and welfare provisions.
- b) Involving workers in decision making on all matters.
- c) Initiating suitable forms of work design.
- d) Formalisation of QWL experience for future use.
- e) A reexamination of policies of work.
- f) Developing an appreciation of changing environment.

**ii) Responsibilities of union and workers**

- a) Educating and making people aware of QWL.
- b) Search areas collaboration with management
- c) Identifying ways and means to satisfy workers' needs through nonmonetary alternatives.
- d) Organising labour in the unorganised sector and specially making them aware of QWL.
- e) Encouraging workers to participate in QWL activities.

**iii) Responsibilities of Professional Organisations**

- a) Organise work shops and seminars to bring about greater awareness of QWL.
- b) Initiate specific research projects in this field.
- c) Provide professional assistance to organisations to help generate internal competence.
- d) Developing state of art profiles on QWL.
- e) Developing special programmes for various classes of workers.
- f) Developing a network for collection storage and dissemination of information on QWL.

**iv) Responsibilities of the Government**

- a) Legislating standards and norms in newer areas.
- b) Change in policy to provide greater autonomy to experiment with QWL.
- c) Executive action to ensure implementation of legislated facilities.

- d) Encouragement and adoption of appropriate technology
- e) Finding projects on QWL.
- f) Suitably modifying the structure and scope of education in the country.

Although basic spadework is almost ready in India, we still have to develop the political, have to implement the QWL concept to improve the life of an average worker in India.

## 6.7 HUMAN RESOURCE INFORMATION SYSTEM

There is an increasing realisation in recent times that the success of a business enterprise in a complex and changing environment to a very large extent on the efficient management of its human resources. To survive and be successful, firm has to retain its "competitive advantage" over its rivals.

An information system is required to communicate effectively with the environment. While information systems in some form or the other have been in existence, it is only recently that Human Resource information systems (HRIS) using Information Technology (IT) are being implemented. The manual systems of old era are being gradually replaced by computerized HRIS.

### 6.7.1 WHAT IS HUMAN RESOURCE INFORMATION SYSTEM?

HRIS are systems specifically designed to capture discrete pieces of data (facts) about people and jobs and to translate these data into usable forms of information.

Some HRIS are implemented using an organisation's large mainframe or main computer (which also contains many other data bases). Increasingly, however, micro computers that are dedicated exclusively to Personnel/Human Resource Management are used.

### 6.7.2 NEED FOR HRIS

The difficulty in maintaining and the shortcomings of manual records system can be stated as the two basic reasons for preferring HRIS. The difficulty here refers to the voluminous data of the employees and the jobs which is unfeasible to track manually and which has to be updated from time to time, maintenance and updating of manual records systems is a labour intensive and costly process, and transit of data from one record to another increases the chance of error which affects the accuracy and reliability of data held. The stored information has to be maintained in a fragmented way with different pieces of information and thus it becomes difficult to provide a single, comprehensive picture of an employee on one record. As the information held in the systems is needed simultaneously by a number of other departments the manual record system tends to become duplicate. Further, the manual analysis is extremely time consuming and statistical output of the personnel department tends to be limited to what can be put together more readily.

C.S. Venkataraman and B.K. Srivastava (1991) says that, HRIS are needed basically for three purposes.

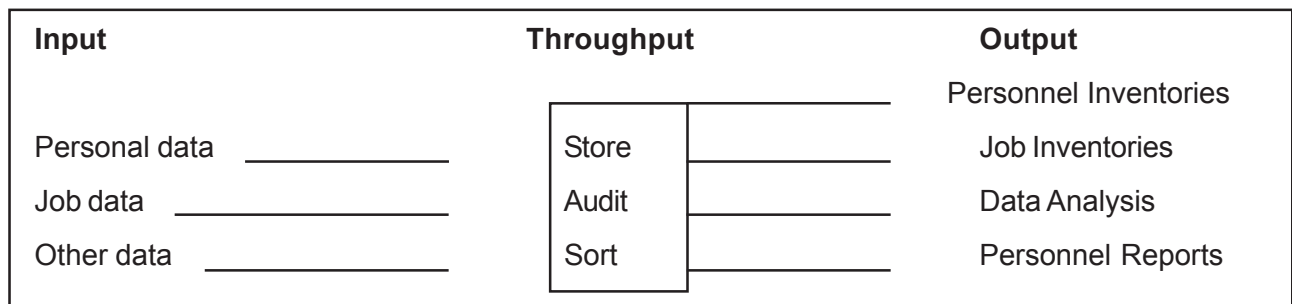
- (i) To store information and data for each individual employee for reference.
- (ii) To provide a basis for decision making in day to day personnel issues (e.g., grant of leave) as also for planning, budgeting, implementing and monitoring a host of human resource functions.

- (iii) Supplying data/returns to government and other public.

### 6.7.3 SYSTEM SPECIFICATIONS OF HRIS

Figure 6.7 depicts the three major functional components of any HRIS : Input, Throughput and Output.

**Fig. 6.7 : Functional Components of an HRIS**



#### i) The Input Function

The input function establishes responsibilities for collecting relevant data and entering them into the HRIS on an organising basis. Data collection is usually done in one of two ways. The first is by typing the system into relevant data sources particularly personnel forms and records, in such a way that any time a transaction occurs (for e.g., someone is hired, promoted, or granted a pay increase) the pertinent paper work flows to the HRIS as well as to payroll and other relevant places. A variant of this is to hold employees responsible for informing HRIS specialists of certain changes (such as moving to a new address) and for periodically updating parts of their records. The second approach data collection is to network the HRIS with other perhaps more critical information systems are most typically pay rolls in such a way that data changes in one is automatically made in the other. Most modern HRIS have what is known as online input which allows an HRIS operator to do data entry on a regular, ongoing basis and provides for immediate data update.

#### ii) Throughput Function

The throughput function is responsible for the actual updating as well as the storage and maintenance of the data in the HRIS. Here software design is key. Newer systems are configured in such a way that a single data entry will result in automatic updating across all relevant data basis and these systems are large and flexible enough to accommodate all data needs and to ensure that there is the capacity to carry out all necessary data manipulations.

To support online input, throughput functions operate on real time. That is, they have the capacity to sort update and store inputs immediately and to do this on a continuous basis. They also have built in edit codes that reject data not meeting predetermined format requirements.

#### iii) Output Function

HRIS are only as good as the output they produce. The key is to ensure that the stored data can be manipulated in such a way as to produce the information that users need in a timely fashion and in a usable format. Most HRIS are programmed to produce output in both standardized and adhoc forms. The former consists of recurring reports. Where in the format says the same and

only the data change from time to time. The latter consist of specialized reports that are unique, or required only in frequently and that may require special programming to produce.

Many vendors now produce and sell software packages for use on PCs that are capable of performing virtually any of the more common Personnel/Human Resource Applications.

Most HRIS are designed to be interactive. That is, they permit operators to see potential output on their computer monitors as it is being manipulated and to make instant alterations as desired. Only after the data and format are satisfactory is the resulting report printed in "hard copy".

#### 6.7.4 USE OF COMPUTERS IN PERSONNEL

Computers can be used with profit in a wide variety of situations covering the full range of human resource management functions as indicated in Table 6.7.1

**TABLE 6.7.1**  
**COMPUTERIZED APPLICATIONS FOR HRIS**

<b>Latest Complex Application</b>			<b>Most Complex Application</b>	
* Payroll Preparation	Automation of basic personal data	Salary analysis	Skill inventory	Collective bargaining
* Cheque Preparation	Preparation of schedules report e.g., seniority	Performance planning	Human Resource Planning	Information Sharing
HR reports		* High-filer tracking		Tele-training

**Source :** Adapted from the reading materials prepared by the School of Management Studies, Indira Gandhi Open University, New Delhi, 1987. (MS. 7, Block 2, Unit 8: Computers in Human Resource Management, P. 38)

Historically, the pay roll function was the first to be computerised because it was more definitive, repetitive and labour intensive. Gradually, however, the system began to be put to several other uses, including those with increasing complexity.

#### 6.7.5 SYSTEM DESIGN AND SOFTWARE PACKAGES

The type and range of HRIS depends on the organisation its needs and top management preferences. Smaller firms only need a basic card system for individual employees and simple set

of forms to notice ends on key aspects of human resources as also to comply with statutory returns. Larger firms, however may require a more comprehensive data base depending upon the reasonable for computerization, potential uses and aspects of personnel decision making within the organisation.

There are a number of software packages readily available in the market to suit the general needs. Several large firms in different sectors (BHEL, NTPC, ONGC, ITC, Voltas for instance have developed comprehensive packages to suit their needs, Table 6.7.2 gives an indicative list of some programmes, but there are many other packages available in India and abroad for wide range of computer applications.

**TABLE 6.7.2**  
**INDICATIVE LIST OF SOFTWARE PACKAGES**

<b>Name of the Inventory</b>	<b>Supplier</b>	<b>Operating System / Language</b>
Personnel Inventory payroll accounting	Mantec (Several Sources)	CP / M dBASE-II Almost every system Language
Skills Inventory	Mecon	Cobol
Manpower Planning	Mecon	Cobol, Fortran
Personnel Inventory and Records	Sonata	Wordstar, Loutus

#### **6.7.6 SETTING UP HRIS**

For the successful use of computer based HRIS top level commitment is essential. Employee attitudes and skill shortages are also problems. Timely retrieval of the available information, however voluminous it may be provides competitive advantage through better handling of human resources. Organisations which intend to set up HRIS should:

- (i) Determine the potential contribution it can make to the strategic needs of the organisation.
- (ii) Appoint a senior manager to review and integrate the relevant issues as major components of corporate plans.
- (iii) Formulate a prioritised development strategy and determine what effect it should have on the firm's competitive posture.
- (iv) Make people throughout the organisation aware of the advantages of HRIS.



### 6.7.7 HRIS AS A MECHANISM OF HRD

The organisations that subscribe to HRD will be highly benefited by way of introducing the HRIS. In these organisations there is a need to store all appropriate information about employees. This includes all basic information about each employee training programmes attended, performance records, potential appraisals, accomplishments etc. This data is utilised wherever there is a need to identify employees for consideration to special projects, additional training or higher level jobs.

## 6.8 SUMMARY

Career Planning is one of the mechanisms of HRD. Career Planning is a process whereby an individual sets career goals and identifies the means to achieve them. Although individuals ultimately must assume responsibility for their own career planning, there is much that organizations can do to help.

Although career planning has several advantages both for the individual employees and the organizations, it has its own difficulties and problems. These difficulties and problems can be minimized, if the organizations have clear corporate goals for the ensuring five, ten and fifteen years. The top management has strong and unflinching, conviction in career planning; proper career is taken to ensure the selection of right men for right jobs, among others. The career planning process involves several steps.

In organizations that subscribe to HRD, the corporate growth plans must not be kept as a secret. If the corporate growth plans are given wide internal publicity, the employees at different levels of the organization would be able to know the possibility of their own growth and career opportunities within the organization. The open communication by the management about the corporate growth plans and counselling in respect of the career planning enhance employees' commitment towards the achievement of the organizational goals/HRD system's goals.

Organizations today and faced with tremendous forces for changes. A systematic planned way of managing this change is through the process of OD. The two major traditional paths of OD come from laboratory training (both sensitivity and grid) and survey feedback. The receiver approach to OD is to utilize more specialized techniques such as process consultation, third party peacemaking and team finding. Finally the increasing popular concept transactional analysis is beginning to be used in OD.

In an attempt to clarify differences and similarities between HRD and OD the above comparisons were drawn. Though it is useful, one should refrain from drawing any type of final conclusions. HRD and OD are not only highly compatible but also complimentary to each other. The issue is not whether HRD is more important than OD or vice-versa. The issue is how far HRD can empower and act as a multiplier for OD and vice-versa. The reality is that both HRD and OD are two sides of same coin. They should reinforce each other.

Appropriate rewards not only recognise and motivate employees, but also communicate the organisation's value to the employees. Decenzo & Robbins have identified the following types of rewards: i) intrinsic and extrinsic rewards; ii) financial and nonfinancial rewards; iii) performance based and membership based rewards.

The qualities of effective rewards are: a) Employees should be rewarded with what they individually consider important; (b) Employers should ensure equitable distribution of rewards; (c) increasing the visibility of rewards, (d) Flexibility in rewards depending upon the changes in

performance; and (e) Lowest cost rewards should be preferred.

Through well thought out welfare measures an organisation can enhance the employee's efficiency and output. The welfare measures provided to employee in India include; (i) statutory measures; (ii) nonstatutory measures; (iii) social security measures.

There have been divergent views on what really is QWL. But, the eight conceptual categories provided by Walton appear to give a clear idea about what constitute QWL. These are: i) Adequate and fair compensation. ii) Safe and healthy working conditions. iii) Immediate opportunity to use and develop human capabilities iv) Opportunity for continued growth and security. v) Social integration in the work organisation. vi) Constitutionalisation in the work organization vii) Work and total life space. viii) The social relevance of work life.

The concept of QWL has been broadened in the 1980s to include a number of approaches aimed at joint decision making, collaboration and mutual respect between management and employees, increased job autonomy at work place and self management.

QWL is more concerned with the overall climate of work and the impact that the work has on people as well as on organisational effectiveness. The recognised purpose of QWL seems to change the climate that the human, technological, organisational interface leads to a better QWL and eventually to an improved quality of life in community and society.

In India the QWL as a movement started attracting the attention of academicians and practitioners only a couple of decades ago. The actors that seem to have led to the QWL movement in India Include; (i) changing profile of the Indian workers; (ii) growing emphasis on human resources (iii) need for minimising and possibly preventing the increasing industrial unrest and (iv) growing body of knowledge in human behaviour.

HRIS are systems specially designed to capture discrete pieces of data (facts) about people and jobs and to translate these data into usable forms of information. Most of the organisations are in recent times preferring HRIS in view of the shortcomings of manual records system. The need for availability of accurate and detailed updated data with the shortest time lag necessitated several organisations to introduce HRIS. The three major functional components of HRIS are: input, throughput and output. Computers can be used with profit in a wide variety of situations covering the full range of resource management functions. The type and range of HRIS depends on the organisation, its needs and top management preferences. A number of software packages are readily available in the market to suit the general needs of the organisations. For the successful use of computer-based HRIS top level commitment is essential. The organisations that subscribe to HRD will be highly benefited through HRIS.

## 6.9 SELF-ASSESSMENT QUESTIONS

1. What is Career Planning? Discuss the need for a career planning.
2. "The process of career planning is not so simple as it looks". Please comment. Explain the steps that it involves.
3. What are the limitations of career planning? Explain how they can be overcome or minimised.
4. Explain how career planning and career paths as mechanisms of HRD help organizations in achieving their HRD system objectives.
5. What are the major characteristics of OD.

6. In your own words, briefly describe the three traditional “approaches to OD. Discuss some of their major advantages and limitations.
7. In your own words describe the other major, OD techniques. How OD is used in HRD? Is it relevant to HRD?
8. Discuss the types of Rewards. Indicate the qualities of effective rewards.
9. Discuss how the statutory and nonstatutory welfare measures provided to employees can enhance their productive efficiency
10. What is Quality of Work Life?
11. Give an outline of the QWL movement in India. What suggestions do you offer to make the QWL programmes effective in India?
12. What is Human Resource Information System? Explain the benefits of the HRIS.
13. What are the major functional components of HRIS?

## 6.10 FURTHER READINGS

1. Decenzo David A., and Robbins, Stephen P.: Personnel/Human Resource Management; Prentice Hall, New Delhi, 1989.
2. Heneman et al.: Personnel/Human Resource Management, Universal Book Stall, New Delhi, 1990.
3. Herzberg, Frederick: One more time: How do you motivate employees; Harvard Business Review, Jan-Feb. 1968, Pp 53 -64.
4. Maslow, A.H. Motivation and Personality, Harper & Row, New York, 1954.
5. Rao T.V., and Periera D.F (Ed.,) Recent Experiments in Human Resource Development, Oxford & IBH Publishing Co., New Delhi, 1986.
6. Spiring, John E., Selling HRIS to Top Managements Personnel (USA), October, 1988, P.P. 26-34.
7. Venkataratnam, C.S., and Srivastava, B.K; Personnel Management and Human Resources, Tata McGraw-Hill Publishing Company Limited, New Delhi, 1991.
8. Vijayakumar G.V.V. Performance Appraisal, 1989, Discovery Pub., New Delhi.
9. Walton, Richard, E., “Quality of Work Life”, What is it? Sloan Management Review, 15 (No I), 1973, P. P. 11-21.
10. Wile, E., The Computer in Personnel Work IPM, London 1981.

**Dr. G.B.V.L. NARASIMHA RAO**

**LESSON - 7****HUMAN RESOURCE DEVELOPMENT  
STRATEGIES IN INDIA****LEARNING OBJECTIVE:**

After going through this lesson, you should be able to do comparative study of

- \* Various HRD Instruments and strategies used in different organizations.
- \* Role of change agents in organizations.
- \* Involvement of line managers and top management in these organizations.

**LESSON STRUCTURE:**

- 7.1 Introduction
- 7.2 HRD Case Studies in Indian Organisations
  - 7.2.1 Larsen and Toubro Limited (L & T)
  - 7.2.2 Crompton Greaves Limited (CGL)
  - 7.2.3 L & T Construction Group (ECC)
  - 7.2.4 Jyothi Limited
  - 7.2.5 TVS Iyenger & Sons
  - 7.2.6 Voltas Limited
  - 7.2.7 Sundaram Fasteners Limited (SFL)
  - 7.2.8 Bharat Earth Movers Limited (BEML)
  - 7.2.9 OD in BHEL, Bhopal
  - 7.2.10 Bank of Baroda (BOB)
  - 7.2.11 State Bank of India (SBI)
  - 7.2.12 State Bank of Patiala (SBP)
  - 7.2.13 Indian Oil Corporation (IOC)
  - 7.2.14 Steel Authority of India Limited (SAIL)
- 7.3 HRD Instruments and Subsystems
- 7.4 Initiating Strategies and Emphasis
- 7.5 Innovations in HRD Subsystems
- 7.6 Orientation and involvement of line managers
- 7.7 Top Management's Involvement
- 7.8 Overview of HRD Instruments and Subsystems
- 7.9 HRD Processes and Outcomes
  - 7.9.1 Organizational Effectiveness
  - 7.9.2 Future Directions
- 7.10 Summary
- 7.11 Self assessment Questions
- 7.12 Further Readings

## 7.1 INTRODUCTION

A strategy is a course of action planned to be undertaken to achieve desired goals. HRD strategy indicates the desired course of action planned by an organization to achieve HRD goals or HRD outcomes. The course of action may deal with the choice of various means to achieve the desired goal and a plan for implementing the chosen activity or action. Thus HRD strategy adopted by an organization may deal with the following dimensions:

- 1) What are the HRD goals ? What major purposes are the HRD strategy supposed to serve ?
- 2) What instruments are expected to be used ? In what order are they expected to be used ? What are the assumptions made in choosing these instruments ?
- 3) What are the ways in which the HRD methods / instruments are envisaged for implementation.

In this lesson these issues are explained in detail. The strategy used to explain these issues is by means of some case studies of a few organizations.

A few organizations that have attempted to develop HRD are chosen and brief descriptions about these organizations and their decisions to implement HRD are presented below. Inference about the strategies they have used are made subsequently. The case studies presented here are based on the actual HRD experiences written and presented by senior managers of their respective organizations. These case studies were presented and discussed in two of the annual conferences of the National HRD Network. One of them was held at Madras in 1987 and another at New Delhi in 1989.

The HRD experiences narrated in this lesson reflect the HRD practices existing at that time in these organizations. It is believed that the HRD activities undertaken by these organizations had some impact in terms of the functioning of the organization. The organizational outcomes (output, profit, productivity, etc.) are influenced by a variety of factors. The HRD climate and HRD culture is only one of the several significant factors affecting the organizational effectiveness.

Therefore, an excellent HRD profile, excellent HRD practices and excellent HRD climate at a given point of time may not guarantee continued effectiveness of the organization for all time to come. HRD profiles need to be constantly upgraded and HRD climate needs continuous strengthening and renewal.

These case studies therefore, should be taken as illustrations of HRD activities and not necessarily as examples for blind imitation. The case studies are intended to facilitate learning about various aspects of HRD for an interested learner.

**HRD in Larsen and Toubro Limited :** The first case study on Larsen and Toubro by C.M. Srivastava gives a comprehensive picture of HRD as attempted to be implemented by the L & T in mid-seventies. An integrated HRD was attempted to be introduced. The case illustrates how various subsystems of HRD were introduced and strengthened simultaneously. The gaps in HRD implementation are not discussed.

**HRD in State Bank of India :** The second case study prepared by T.P. Raman describes an attempt by a large public sector, service organization to introduce and strengthen integrated HRD systems. A number of subsystems including performance appraisal, counselling, career planning, training and OD were initiated, integrated and strengthened. The process of implementing a

development oriented system described in this case has many learning points for large organizations.

**Potential Development Through In - Basket :** The Crompton Greaves have experimented with a simulation exercise to assess and develop the potential of their senior manager. Although it was a onetime experiment conducted in Crompton Greaves, the experience has many interesting learnings. The description by Susan Varughese presents in detail the process of developing and using this exercise. As potential appraisal is a highly neglected area, this experience may be very illustrative of systematic potential development systems.

**Turn - around in SAIL :** The Steel Authority of India Limited has used HRD philosophy and interventions for a turnaround of the company. The case study prepared by Mr. S.S. Ramakrishnan and Mr. M.R.R. Nair, members of the top management team of SAIL are very illustrative of the change process HRD can initiated and accomplish. This case illustrates specially how cultural change can be brought in through a variety of human process interventions simultaneously.

**HRD for Workmen at Eicher :** Eicher is known for its HRD activities in the recent years. The case by P.K. Kapase and A.K. Arora focuses on HRD for workmen in one of their units. This case study is illustrative of how the quality of work-life can be enhanced using a humanistic approach. The case also illustrates the lessons one can learn from the Japanese styles of management to promote HRD for workmen.

**HRD at C-DOT :** This case by Sunil Abrol, S. Chakraborty and Sangeeta Sant illustrates how HRD practices can be integrated into the work culture of the organization. The case also presents various learning points for using HRD practices to generate a climate of excellence. The various work practices followed at C-DOT also illustrate how a HRD philosophy is operationalised through various work practices and work culture.

## 7.2 HRD CASE STUDIES IN INDIAN ORGANISAITONS

- 1) These cases may be read and discussed in small groups. The following questions may be used for discussion.
  - i) What are the various HRD practices / subsystems / mechanisms used by the organization ?
  - ii) Which of the practices seem to be more critical or effective in that organization ?
  - iii) How did these practices influence the HRD climate of the organization?
  - iv) How do you characterise the HRD climate or culture of each organization?
  - v) What role did HRD play in organizational effectiveness ?
  - vi) What seems to be the HRD outcomes ?
  - vii) What lessons can one draw about implementing HRD ?
  - viii) What is the role played by top management?
  - ix) What are the roles played by line managers ?
  - x) What are the roles played by the HRD / Personnel staff ?
- 2) These case studies should be read once again after completing all the five units and the same questions may be again attempted to be answered?
- 3) Visit any organization in your city and try to prepare a similar case study of HRD in that organization.

### **7.2.1 LARSEN AND TOUBRO LIMITED (L & T)**

L & T probably the first organization in India to introduce an integrated HRD system (HRDS). The HRD system was suggested by consultants while they were looking at the performance appraisal system for officers. The consultants felt that a development oriented performance appraisal system may not achieve developmental objectives unless accompanied by other subsystems like potential appraisal, employee counselling, career planning and development, training and OD. HRD System was introduced by L & T in the year 1975 with the introduction of Performance Appraisal and Feedback and Counselling subsystems. A high level task force was constituted to implement the HRD system. The task force functioned upto the year 1979. L&T had a strong training department which was conducting a large number of training programmes and occasional OD exercises prior to this. These were further strengthened with the introduction of HRDS by linking training with performance appraisals and by stepping up OD activities. The starting of the HRDS was also marked by the bifurcation of the Personnel department into Personnel and HRD departments. The critical attributes required for various jobs were also identified.

### **7.2.2 CROMPTON GREAVES LIMITED (CGL)**

CGL started thinking about introducing HRD systems in 1979-80 when an ambitious expansion and diversification programme was launched. Through a series of seminars using external consultants and internal Human Resource Development, a climate was created where managers started looking forward for HRD interventions. Decision to introduce HRD systems in a systematic way was taken by the top management after a presentation to the top management to and detail of such a system. A high level HRD task force was constituted to implement the HRD system. The task force identified Role Analysis, Performance Appraisal and Counselling as priority areas. By 1986 a number of role analysis exercises were completed bringing about increased clarity of roles through the use of roleset groups. The role analysis exercises were extensive and involved several top management teams. A new performance system with considerable emphasis on team work was evolved. Performance counselling was also introduced independent of appraisal. Potential development exercise using in-basket exercise are also being tried out.

### **7.2.3 L & T CONSTRUCTION GROUP (ECC)**

With phenomenal growth in its business in the seventies and stiff competition in the Indian and International market, the Engineering and Construction Corporation Ltd., wanted to reorganise itself to meet the new challenges and opportunities. An external consultant was used to look into the organisation and suggest changes. As a part of his report he also suggested the use of OD interventions to maintain organisational health, aid the process of change and increase role effectiveness. The OD process was started in 1983 with a diagnostic study.

A group of senior executives was formed into an OD group to design and implement OD interventions with the help of the OD consultant. Role analysis exercise were conducted initially to bring about more role clarity, the need for which was indicated by the diagnostic study. The role analysis exercises also resulted in building the OD group as a team. The OD group identified several issues facing the company, prioritised them and formed task forces to work on these issues. One of the issues identified on a priority basis was performance appraisal. Another was reward system. As a result of the OD interventions, a new appraisal system called as performance analysis and development system (PADS) has been developed and is being implemented.

#### **7.2.4 JYOTI LIMITED**

HRD function in Jyoti was started in 1980 in a modest way with the appointment of a HRD manager. The function was started to catalyse and facilitate individual growth and organisation effectiveness. The HRD efforts did not result in any changes due to problems of acceptance. It was only in 1982 that renewed efforts were made by the new HRD manager to introduce various HRD subsystems and processes. Conducting in-house programmes to develop competencies of individuals, instrument based feedback and counselling for executives, organisational diagnosis and OD interventions, redesigning performance appraisal systems using participative processes etc. were some of the HRD activities introduced. As there was a change in organisational structure of the company in 1983, the HRD department used the opportunity to initiate OD activities in some parts of the organisation. A series of OD exercises were organised to improve individual, interpersonal and team effectiveness.

#### **7.2.5 TVS IYENGAR & SONS**

TVS & Sons has a long tradition of being an organisation with concern for its employees. With changing environment by late seventies TVS & Sons started facing a highly competitive environment. To meet the challenges of the changing environment, higher level competencies needed to be developed in the supervisory and managerial staff. Recognising this need the company took a decision to divide the personnel function into personnel administration and HRD and started a HRD department in 1983. The department was charged with the responsibility to encourage excellence to create an organisational climate where employees will strive towards better performance, to maintain fairness and justice and to develop problem prevention competencies. The HRD department was given the functions of manpower planning, job rotation, training potential appraisal, career planning, job enrichment, suggestion schemes, liberal education, personnel research and organisational analysis, attitude surveys and reports, control and long-range planning. After the department was established, a new development-oriented performance appraisal system was introduced, training activities were systematised and manpower planning is being done to prepare the organisation for a better future.

#### **7.2.6 VOLTAS LIMITED**

The top management of Voltas always believed that their people are their strength. This belief has been brought to focus in the last few years through mechanisms like performance appraisal, counselling, management development, communication policy, potential appraisal, training etc. Voltas did not have a department separately for HRD apart from their training and manpower development unit which was a part of the Personnel Department. However, HRD culture was attempted to be brought in the company in a variety of ways. In 1977 itself while reviewing the reasons for its poor performance, the Managing Director identified the inadequate attention paid to the development of human resource as one of them. In order to ensure development of human resources and generate a healthy organisational climate, a communication policy was evolved. This policy aimed at wider participation in a decision-making, openness and regular flow of information. Voltas have revised their performance appraisal systems from time to time. In 1982-83 they redesigned the managerial appraisal system focussing it sharply on management development. It had the multiple objectives of strengthening managers as individual, developing them for higher level positions, strengthening working relationships, providing a basis for OD exercise and increasing accountability. Voltas also have a strong base in training and OD.



### **7.2.7 SUNDARAM FASTENERS LIMITED (SFL)**

SFL is a member of the TVS group of companies. Starting its manufacturing operations in 1966, they diversified into Cold Extrusion in 1976 they opened a second fastener plant in 1981. In 1983 they further diversified into manufacturing Powder Metal Products with German collaboration. Their sales turnover rose from Rs. 4 crores in 1977-78 to Rs. 27 crores in 1984-85. This steep growth in a short period from a single product in a single location to a multi-product, multi-location company necessitate a need for HRD in the company. The multi-location produced a depletion in trained manpower and consequent problems and gaps at various levels. The HRD department is placed in the Corporate Planning & Development Wing. The HRD unit started working on organisational structure (focussing on clarifying-reporting relationships, outlining key responsibility areas), manpower planning recruitment, placement, development-oriented performance appraisal system, extensive research was done, a new system was evolved, experimented and finally adopted after conducting orientation programmes. The Chairman & Managing Director also participated in these workshops to communicate the top managements interest. Training needs were identified through PAS and the training function was strengthened. SFL is working on the other mechanisms simultaneously.

### **7.2.8 BHARAT EARTH MOVERS LIMITED (BEML)**

BEML is one of the few public sector companies that have shown consistently steady and fast growth in the last 15 years. During 1976-77 the top management decided to reorganise BEML to make it grow at a much faster pace. External consultants were engaged to assist the company on long-term planning and reorganisation. The consultants with the help of a high level internal task force suggested a new organisational structure. Along with the new structure, they recommended the introduction of HRD system to develop the competencies of the BEML staff. In 1978, the Personnel Department was upgraded with a General Manager in-charge of it and renamed as Human Resources Department. A Director level position was also created. An Advisor at the General Manager level was also hired to implement the HRD system in the company. A development - oriented performance appraisal, performance counselling, training, career development and potential appraisal exercises were initiated in 1978 and 1979. The appraisal system was modified subsequently over a period of time and the training function was strengthened.

### **7.2.9 OD IN BHEL, BHOPAL**

BHEL, Bhopal, maintained a constant upward trend of production from 1972-73 till 1976-77. In 1977 there was a sudden dip in production which caused considerable concern to the management. In September 1976 a Human Resource Committee (HRC) was formed with the Executive Director, GMs and Deputy GMs as members. A problem - identification workshop was held. An OD department was also created in 1981. Starting from this, a number of OD interventions have been made by the OD department using internal task forces as well as external consultants. These include management employee communication meetings, team building programme, survey feedback on organizational health and motivational climate etc. The company is in the process of introducing a new performance appraisal system.

### **7.2.10 BANK OF BARODA (BOB)**

The HRD Department in Bank of Baroda 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 evolved through a participative process, a development oriented appraisal system for officers. The Employee Performance Review system (EPRS) was finalised using top level committee and top management support. Self-review, performance-review discussions, identification of constraint, developmental decisions on the basis of self-appraisal and review are some of the components of the new system. The HRD department also enriched the training function and prepared eventually a skill - inventory covering about 10,000 employees for use for various Human Resource Decisions. In the first year of implementation of EPRs itself, the HRD department made 72 interventions towards development decisions. Officers were trained in the new system through 63 seminars. The EPRS is reviewed periodically to make further improvements.

### **7.2.11 STATE BANK OF INDIA (SBI)**

A decision to introduce HRD system was taken at a workshop attended by the Chairman of the SBI and the Managing Directors of SBI and its associate banks. The workshop was addressed by an external consultant who explained the HRD philosophy.

The associate banks appointed HRD managers subsequently but could not make much headway except designing a new appraisal format common to all associate banks and conducting periodic surveys on motivational climate. It was only in 1979 when the SBI appointed a Chief General Manager, Personnel & HRD and a Chief Officer, HRD at the Central Office, that the HRD started gaining momentum in the SBI. Simultaneously HRD departments were started and HRD managers appointed in different circles of the SBI. The HRD efforts started by introducing a new development oriented performance appraisal system. Given the size of the organisation, with about 40,000 officers to be covered, introduction of the new appraisals system had to be based on adequate experimentation and orientation of all staff to the philosophy and objectives of the new system. After about 5 years of experimentation and evolution, the new appraisal system was formally introduced by the bank in 1986. The HRD department of the SBI also started working simultaneously from 1979 on job-rotation, training, OD career development, feedback and counselling, feedback and counselling subsystems.

### **7.2.12 STATE BANK OF PATIALA (SBP)**

HRD department was started in the State Bank of Patiala in 1976. It had the objective of developing systems for developing and harnessing the talents, of people and meet the challenging expectations of the community. In the early years the HRD activities were limited to training and survey feedback. In the early eighties the department started playing an important role under the leadership an MD who strongly believed in HRD. The training system was streamlined, a job-rotation programme was undertaken, OD work aiming at team development was initiated in some branches, and a new performance appraisal system is being evolved. The bank also worked out a human resources information system which was used for career planning and manpower planning. Periodic surveys of HRD climate are being conducted.

### **7.2.13 INDIAN OIL CORPORATION (IOC)**

IOC has about 31,000 employees and a fifth of them are officers. Beginning from 1964 the company had grown big in size and started experiencing problems like communications and logistics

with indications of some degree of alienation among its employees. With the ever-changing environment, the company felt the need for an examination of its organisational health for self-renewal. To meet this need, the Corporation started new functions. Corporate planning function was started for carrying out environment scanning, a resource audit was initiated to decide strategic options. The HRD department 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 the divisions. The department also conducted a series of workshops with the top management and senior executive to evolve and clarify the role of the HRD department. Assistance of an external consultant was also taken to facilitate the implementation of HRD. In 1984 HRD departments were set up in Refineries and Pipelines division and Marketing Head quarters and a seminar was conducted to develop HRD personnel to take up HRD tasks. A series of workshops were conducted to create a positive climate in the company for implementing HRD. Along with these, surveys were conducted to measure the organisational climate. Role analysis exercises were conducted to bring about role clarity. The roleset based approach was used for this purpose. Key Performance Areas and critical attributes created with each focal role were also worked out. The progress of implementation of HRD was being fed to the Board periodically and the Board kept taking decisions. For example, in 1985, on the basis of the progress report, the Board decided to set up HRD departments in each unit of Refineries and Pipelines division and in each region of Marketing division. A three week intensive programme was offered for all HRD staff. About 40 workshops were conducted upto mid 1986 to enhance the HRD competencies of HRD and line managers.

#### **7.2.14 STEEL AUTHORITY OF INDIA LIMITED (SAIL)**

SAIL is the biggest industrial company with assets worth Rs. 6,000 crores and employees numbering 2,50,000. The new Chairman who took over in 1985, found in his diagnostic efforts that SAIL's manpower is its biggest strength but it has not been put to full use. He got a feeling that SAIL has become a bureaucratic organization and its image could be far better and its employees can do a lot more, the result of which will have an impact on the country's economy. He initiated a series of internal discussions involving a large number of executives to reflect and work out priorities for action. This internal mobilization of human resources led to the identification of priorities which included the improvements in work culture, capacity utilisation, productivity, control of cost and customer services. Work culture was sought to be improved through team work, information sharing, human touch, job-enrichment, discipline, operational consistency and development of employees. The 'Priorities for Action' became a kind of an OD intervention to bring about a new culture in the organisation. A new performance appraisal system was designed with development and differentiation of performance as objectives. The new appraisal system is very much of a HRD oriented system requiring officers to identify tasks and targets every years, anticipate constraints, plan actions to overcome them, review performance, identify developmental needs and counsel poor performers to help them develop. Thus without bringing in any structural changes like adding new departments SAIL is set to evolve a new culture that value human beings at work.

### **7.3 HRD INSTRUMENTS AND SUBSYSTEMS**

General observations are made below on the basis of an analysis of HRD experiences of these 14 companies.

#### **7.3.1 NEED FOR NEW HRD INSTRUMENTS**

From an analysis of the HRD experiences of these companies, the source of inspiration for

introducing new HRD systems seem to come from one or more of the following :

- 1) To support the structural and strategic changes made by the organisation to orchestrate its growth and expansion (BEML, IOC, SBI, L&T, ECC, Jyoti, CGL, TVS, Voltas, SFL, BOB)
- 2) Recognition by the top management of the importance of HRD and their responsibility to promote it for the good of the organisation (L&T, SBI SBP and Voltas)
- 3) To prepare employees to respond to the increasing problems faced by the organization both internally (dissatisfaction, delays, fall in productivity etc.) and externally (high competition and falling market situation etc) IOC, BHEL, TVS and SAIL.
- 4) To keep the image of the company up by adding such modern instruments to its structure (none of the 14).

From this, it may be concluded that most companies seem to perceive HRD as an instrument to orchestrate the growth of the organization by preparing its people to strive for / or facilitate such growth or atleast maintain internal stability.

### 7.3.2 OPERATING MODE

Having decided to strengthen the HRD function, how does one go about doing it? There are many ways of doing it. These include :

- i) Using the existing Personnel Department (SAIL)
- ii) Strengthening the Personnel Department by equipping them with new competencies (Voltas, CGL)
- iii) Training all managers and making them recognise their role in HRD without adding any new department or roles.
- iv) Adding the HRD role to the other roles of the Chief Executive or some top level managers.
- v) Using task-forces (SAIL, partially SBI, BEML, BHEL, L&T, ECC, CGL).
- vi) Setting up HRD departments or equivalents (IOC, SBI, SBP, BEML, BHEL, L&T, ECC, Jyoti, TVS, BOB, SFL).
- vii) Creating a new role of HRD managers, or Combinations of the above and more.

The most frequently used mode seems to be by setting up a new HRD department. Only Voltas, SAIL and CGL seem to be exceptions. These organizations have not set up any new HRD departments but enriched the existing ones (for example, in the case of Voltas the manpower department unit was given HRD role). All others have set up either HRD departments or OD units. Of the fourteen companies, only three chose the operating mode of using the existing personnel departments for HRD work. The only organization that did not make any substantial changes in the structure of their personnel department is SAIL. But by the time SAIL started working on the new appraisal system and priorities for action (and OD intervention) they already had a strong Personnel department with HRD orientations at every level. They even had OD managers and fairly good training centres. On top of it, the Chairman himself is a person committed to a HRD philosophy. It is only when such favourable conditions exist, using the existing personnel departments seem to be a viable operating mode for initiating HRD activities.

Use of task forces appears to be another effective way of implementing HRD activities. More than 50% of the organizations seem to use them. In L&T, ECC, CGL, BEML, SAIL implementation task forces have played an important role in designing and monitoring the

implementation. The task force consisted mostly of senior level line managers.

From the experiences of these organizations it may be concluded that setting up a new HRD department or recruiting a HRD manager and using task-forces consisting of line managers for implementation appear to be the more commonly used strategies. It may be noted here that using internal task-forces has been found to be useful strategy for bringing about organizational change using performance appraisals (see Butler and Yorks, 1984).

### 7.3.3 INTEGRATING ROLE

The creation of a new HRD department or new function of HRD can be called as a step in the direction of "differentiation" using the model of Lawrence and Lorch (1967). When such differentiation of task and functions is made there is also of task and function is made there is also a need to have integrating mechanisms. An analysis of the experience of those organizations that have set up new HRD departments indicates that a senior corporate level executive dealing with personnel function of the entire company seems to have been assigned the integrating role to play.

In Voltas, SAIL and CGL, where there is no separate HRD department of functionary the need for integration is much less as HRD is an integral part of the personnel function. In other organizations, normally a Corporate Director to General Manager seems to play that role. In IOC, it is Director Personnel who plays the role, as both HRD and personnel departments report to him. In SBI, it is the Chief General Manager, Personnel and HRD as well as the Deputy Managing Director, Personnel, who integrate. In SBP, it is the General Manager Planning and the MD himself. In BEML, it is the GM Human Resource and Director Personnel, in L&T, it is the Vice President Personnel and OD. In Jyoti the Managing Director himself performs this role. In Bank of Baroda, it is the DGM Personnel. In L&T, ECC, the DGM, Personnel and OD report to the MD. Thus the integrating function seems to lie with a top level manager. This could be an advantage as well as disadvantage for HRD. The advantage is that the HRD functionaries have access to the top. The disadvantage is that if the top manager does not understand or believe in HRD, he may not pay any attention to it and discourage the function.

### 7.3.4 FACILITATION OF CHANGE BY EXTERNAL AGENTS

By and large commercial organisations tend to initiate change processes only if they find the change as needed or useful for achieving their goals. However, external consultants seem to play an important role in identifying the nature of change required and for providing directors. Out of the 14 organisations, more than 50% had external consultants. They suggested that HRD function may be initiated. For example, in BEML it was recommended as a part of recognition for expansion. In State Bank of India and its associates it was session on HRD led by external consultant that stimulated thinking and subsequently made a part of recognition recommended by consultants. L & T used consultants to review the performance appraisal system but the consultants felt the need to have an integrated HRD. In ECC, the personnel function was strengthened as suggested by consultants.

Another interesting point to note is that most of the organisations have used or are using external consultants to facilitate the process of implementation. The only exceptions seem to be Bank of Baroda, Voltas and Sundaram Fasteners.

The following appears to be the nature of involvement of external consultants in implementing HRD.

- 1) Designing and / or detailing HRD systems or subsystems (IOC, SBI, BEML, L&T, ECC, BOB)
- 2) *Experimental try out of a system or subsystem in the organisation or a part of it (IOC, BEML, SBI and ECC):* In IOC, role analysis was attempted in action research at project areas. In BEML, the new appraisal system was tried out in 1978 experimentally in two departments and then in the entire company. SBI's performance appraisal was experimented in Ahmedabad circle before it was implemented.
- 3) *Training of internal change agents or resource persons (IOC, SBI, SBP, BEML, BHEL, L&T, ECC, CGL and SAIL) :* In large organisations involving several hundreds of officers to be covered orientation of the executives to the new HRD philosophy appears as the most important first stop. Since everyone cannot be oriented by outside consultants, training and using internal resources seem to be useful in implementation. For example in SAIL, the first phase of the new appraisal system required the training of about 8,000 officers and in State Bank of India the system cover nearly 35,000 officers spread all over the country. In L&T it was about 1,200 in BHEL about 1,500 and ECC about 700. Hence, groups of internal resource persons were trained to implement it. External consultants were used to train them.
- 4) *Designing systems of monitoring the implementation (BEML, L&T, ECC, BHEL, SAIL) :* Very few organizations seem to have used outside help for monitoring the implementation. Even in BEML, ECC, L & T and SAIL, the monitoring systems were limited to task-forces. In BEML, a series of Questionnaires were used to monitor the implementation in the first year. L&T is the only company that frequently used internal monitoring systems and occasionally external consultants to review the implementation. In BHEL, as the OD exercises required follow-up, monitoring was better. In addition, periodic surveys of organisational health were used for monitoring.
- 5) *Periodic Reviews of the Subsystem :* L&T is the only organisation that used external consultants for periodic reviews of the HRD system, Initially it was implemented. Initially it was reviewed by the very consultants who designed, and subsequently by another consultant subscribing equally to HRD philosophy and who has been working with the company. In no other case was an external consultant used for a systematic review. Internal task-forces, review meetings etc., are in built into the system for implementation but a thorough and systematic review by external agents once in five years may facilitate self-renewal of HRD systems.

## 7.4 INITIATING STRATEGIES AND EMPHASIS

HRD aims at bringing a change in the organizational culture to facilitate the development and utilization of people. Such a change is a continuous process and may take place incrementally. In order to hasten this process and institutionalise the new culture, it is important to choose appropriate instruments. A decade ago 'Performance Appraisal' was perceived as a potential instrument for bringing about such changes in perceivable magnitude. L & T started their HRD system with this belief and, therefore, focussed on Performance Appraisal subsystem from the year 1975 BEML, SBI, BOB, Jyoti, TVS, CGL, Voltas, SAIL and SFL are other examples of initiating the new HRD function with emphasis on Performance Appraisal. However, without exception, all these organizations simultaneously started working on other supporting subsystems. For example, L&T further strengthened their training system and linked it up with appraisals and simultaneously started

critical attribute identification. BEML also strengthened their training, initiated some OD exercises (which were discontinued later) and improved their career planning and development practices. SBI also introduced OD exercises and trained their staff in some circles as OD facilitators. Systematised manpower planning, strengthened training and also initiated job-rotation exercises.

BOB also started working on manpower planning and skill inventory and also linked it up with training to some degree, after making a few abortive attempts to introduce new appraisals, quickly switched over to OD interventions and new functional as well as behavioural training SAIL started simultaneously working on priorities for action, career planning and promotion system and linked appraisal with promotion and other reward systems. CGL, although started with performance appraisal were fast enough to recognise the complexities involved in developing and using appraisals. They shifted their focus simultaneously to role analysis and potential development exercises and also strengthened the training activities.

IOC is probably an exception. As a strategic move they did not want to touch the appraisal system until a climate was created for officers. They wanted the officers to start thinking about appraisals and wanted the change to come from within. So, their focus was on developing role-clarity through identification of KPAs and critical attributes. In a way, CGL's approach comes closer to IOC's. Both these organisations probably learned a few lessons from the experience of others that started with intensive work on performance Appraisals.

OD strategy to bring about change was used by BHEL and ECC, SAIL and Jyoti also used OD type interventions without change in appraisals. The OD strategy also seem to have paid some dividends as ECC was able to move on and strengthen several other subsystems. BHEL brought about change in the problem-solving abilities of their people through their OD interventions but have not been able to move on to use other mechanisms of developing their people.

From this analysis three strategies of initiating HRD subsystems emerge: Performance Appraisal-based strategy. Role Analysis-based strategy and OD approach. Performance appraisal based strategy seem to take time for its impact to be felt. Role Analysis and OD interventions may get somewhat more perceptible results in the short run. Irrespective of the initiating mechanism, the organisation should be able to use other instruments simultaneously to have an impact. This may also have some synergistic effects on the development of employees capabilities.

## 7.5 INNOVATIONS IN HRD SUBSYSTEMS

The experience of these 14 organisations also indicate some evidence of learning from one or other, making modifications and evolving own systems to suit one's culture.

L&T is the first to start an integrated HRDS and L&T's HRD system has inspired several other organisations. After studying L&T's and other systems some of the organisations have evolved their own. For example, in the appraisal systems used by these 14 organisations, some of the development objectives and components are common. Most of them have self-appraisal, performance planning through task identification and target setting, managerial qualities, performance review discussion or counselling and identification of training needs (e.g. L&T, SAIL, SBI, BEML, Voltas, ECC, SFL etc.) ECC which became a part of L&T a few years ago developed a system somewhat different from L&T. While developing the new system they have learned from the experiences of the parent company. The system is titled as 'Performance Analysis and Development System' and not an appraisal system. Some of the organizations have preferred to use the term performance review discussions rather than calling them "performance Counselling" Sessions.

This is because they found that the terms “Counselling” itself had negative connotation in the mind of managers (e.g. ECC, SFL, SAIL etc.). SFL has even introduced a third persons (a representative of HRD department) presence in the review discussions.

Similarly, SBI and SBP introduced many innovations in their OD efforts, for example, their manager-to-messenger programme. In this programme a higher officer visits a branch and meets all the staff and spends a full day understanding their problems, and helping them to design action plans to solve their branch’s problems. This develops team spirit, branch-level problem solving, upward communication and a feeling of being cared-for by the organization. Another innovation made by SBI was to train a group of branch managers in some of the circles as OD facilitators. The assumption was that after a group of branch managers are trained, they can become internal OD consultants and any branch manager could invite them to help him improve the branch effectiveness. This process becomes a mutual learning experience. It worked better in one place than in another. It did not work in those places where it was not pursued well by the circle management. Similarly, introduction of branch level training by a mobile team of trainer and helping in budget preparation are two other interesting innovations introduced by SBI.

“Priorities for Action” is in itself a new model set up by SAIL. CGL did a through analysis of the factors that contribute to term spirit and are in the process of incorporating the same in their appraisal system. Using simulation techniques like in-basket for potential developed is another contribution by CGL. “Instrumented Feedback” to develop managerial competencies has been attempted by L & T and BEML. New forms of reward management is also being thought of by some of these companies.

## 7.6 ORIENTATION AND INVOLVEMENT OF LINE MANAGERS

HRD system and HRD culture is new to many organizations. Even if some organizations have already been having 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 it percolate from top management down. This takes long time. For quicker understanding and acceptance, line managers need to be oriented. Recognising this, most organisations, seems to arrange organise orientation workshops and seminars to make the line manager aware and accept the new philosophy. In some cases, the orientation training was limited to the subsystem they are introducing and in the other cases, irrespective of the subsystem introduces, a general HRD orientation seems to have been given to line managers. For example, L & T oriented all their officers to the new HRD system and trained them more intensely in the new appraisal and counselling systems. BEML also followed the same strategy. SBI, however, limited its orientation programmes largely to the new appraisal system they were introducing although, information relating to other systems used to be given. SBP evolved annual HRD conference as a method of orienting all senior staff to all aspect of HRD. ECC went on orienting their line managers to any new process that was being evolved. The OD group consisting of all senior managers were being oriented periodically through OD workshops organized every quarter. In Jyoti, for OD exercises every line manager was treated as chief of his department or division. Of the 14 organizations there is no organization that did not have orientation programmes, organised for their line managers on some aspect of HRD or the other. This is a very healthy trend set by these organizations. Involvement and participation of line managers is very much in tune with the HRD philosophy.

Here it may be appropriate to point out a built in problem experienced by organisations.



When an orientation workshop is conducted for the line managers explaining to them a new system, instrument or mechanism, it raises their expectations. For example, while introducing a new performance appraisal system the normal tendency on the part of the organization is to point out the disadvantages of the old system and the advantages of the new system. This raises expectations and high standards are set in the minds of line managers; they know ideally what should happen and keep looking for the ideal to happen. As a result, it has been found that how so ever well a system is implemented, line managers are normally dissatisfied with HRD implementation. Organisations, HRD managers and managements should recognise this fact and not get disappointed with the criticism and lack of appreciation form the managers. This makes the HRD manager's role complex and for that reason he needs a lot of support from top management.

## 7.7 TOP MANAGERMENTS' INVOLVEMENT

The setting up and structuring of the HRD department is itself an indicator, of the top managements involvement. Most of the organisations described here have shown a high degree of involvement, of the top management at one stage or the other or at least in one component or the other in SAIL the Chairman took personal interest and attended most of the top level seminars on 'Priorities for Action' The Director, Personnel and the General Managers of different plans were involved in monitoring the implementation of the new appraisal system.

In L&T all the Vice-Presidents and General Managers, periodically reviewed the implementation. In ECC the MD himself participates in the OD sessions and programmes. In CGL the Managing Director himself chairs the HRD task-force and allocates time for HRD review in the quarterly performance review meetings held by the top management. In IOC, the board keeps reviewing progress of HRD implementation and gives support to the HRD department. In Voltas, the MD himself attends management conferences and ensures the implementation of the communication policy. In SBI, periodic review meetings are held by the Chairman, MD and Dy, MD with the HRD staff. In SBP the MD himself monitors the annual HRD Conference. In Jyothi, the MD himself played the faculty role in some programmes for senior managers and participated in a specially designed exercise to increase understanding the trust. Thus it looks that in almost all the organizations analysed here there are indications of top managements' involvement and commitment.

However, there is a darker side of the picture. First of all in our culture if the top management is involved in implementing a system and the top management is transferrable or they have time bound appointments, the stabilisation of system becomes difficult. Line managers may appear to follow the HRD processes to please the top management rather than out of their own conviction. In such cases, as soon as the Chairman or MD is changed, some HRD practices may be discontinued. Secondly, when there is a change in the top management, the normal tendency of Chief Executives on transferrable jobs or terms appointments is to undo what their predecessor has done by dismantling previous systems and adding his own. For example, BEML started off in a big way but the system suffered a setback as its Chief Executives changed in quick succession and some of them did not give themselves enough time to understand what their predecessors have done. They quickly changed from more development-oriented appraisal system to less development-oriented system. In this process sometimes opportunistic line managers may transmit their prejudices to the new Chief Executive. Continued top management involvement is most essential for HRD systems to stabilise For example, for stabilising the new culture associated with Performance appraisal, 3 to 5 years of time may be required in an organisation with 500-1000 officers.

In this context, training of the top management in the new systems and culture becomes very important. Only a few of the organisations have been able to recognise and implement this. For want of this, the top management support may weaken over a period of time as top level managers have many other things to attend to, that can give tangible results.

## 7.8 OVERVIEW OF HRD INSTRUMENTS AND SUBSYSTEMS

The HRD functions itself has been initiated in most organizations in the last few years only. Some of them are yet to make their presence felt. It also reveals that no organisation has yet introduced, all the HRD mechanisms presented. Several organisations have just few of these and even these are being evolved or experimented with. Therefore, it is difficult to conclude whether any organization 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 way to having such comprehensive systems. There is a danger of these organisation taking a long enough time to dilute the spirit of HRD existing today, if they do not act fast. More vision, leadership, and dynamism are required for implementing various subsystems and creating a HRD culture.

## 7.9 HRD PROCESSES AND OUTCOMES

In the context of the HRD effects model presented earlier it is appropriate to look for an assessment of the extent to which HRD processes and outcomes have resulted from the HRD practices. The analysis also has shown that some variables like top managements commitment appear to be fairly good and efforts were made in many cases to involve line managers. Given these condition a fairly high degree of HRD culture and outcomes should be seen. One would look for evidence in terms of improved HRD climate or improved competencies, satisfaction and dynamism in employees.

A search for any evidence on these variables indicates that there is very little evidence of any attention having been paid even to the measurement of these variables. Organizations introducing HRD practices should have designed some way to measure the HRD processes at the time of introducing HRD mechanisms and keep obtaining data periodically to monitor progress. The only instrument developed so far is the HRD climate Questionnaire by Rao and Abraham (1986). This Questionnaire measures the extents to which a developmental climate (openness, trust, collaboration, autonomy, authenticity, productivity, fairness in appraisal, need based training, risk-taking guidance, development orientation in managing mistakes, general, helpful nature of people, investments in employee development, creation of development opportunities etc.) exists in an organization. The first version of this Questionnaire had 43 items measuring 43 HRD climate dimension and the present version has 38.

When administrating this Questionnaire in 1983 December first and 1985 February later in State Bank of Patiala it was found that in 40 out of 43 dimensions HRD climate improved (Agarwal, 1986). SBP is probably the only organization that has collected data on HRD climate at two different points of time.

However, HRD Climate data are available for the 14 organizations (Voltas, Jyoti, SBI, L&T, CGL and SBP, IOC) from a survey of the HRD climate conducted by XLRI Centre for HRD in 1984 (Rao and Abraham, 1986, discusses details of this). An examination of the HRD climate existing in 1984 revealed that L & T and Voltas have a HRD Climate falling in high range (around 60% on a 100 point scale) and the remaining five are in the middle range (around 50%). Between Voltas and L&T,

Voltas scored less than L&T. In fact L&T is one among the top few scorers on HRD Climate in 1984. All these companies may have improved much more in the last two years as their HRD mechanism got more attention in the last two years. Only a repeat survey can give more insights. Some of these companies however, have been collecting process data as a part of the monitoring. Perhaps L&T is one company that has been collecting the process development data systematically from time to time. These data indicate that there has been a substantial strengthening of HRD process. HRD outcome variables have not been studied.

BHEL, Bhopal, also has been collecting data on organizational health periodically to the extent to which improvements have taken place is not known. In BEML periodic surveys were conducted at the time of introducing the new system during 1978-79. For example, after the first trial run of the new appraisal system, 63% of the officers felt that they could communicate to their appraisees feelings of disappointments or happiness about their performance, 44% discovered areas where they can improve themselves and so on.

These kinds of evidence available can provide only a weak support to the fact that the HRD mechanisms do lead to improvements in the developmental climate and development outcomes. One has to fall back on one's own conviction for supporting HRD instruments. As top managers of some organizations may not want to continue supporting HRD only on the basis of conviction, it is high time that the HRD managers and departments start maintaining profiles of HRD changes that are taking place in their organisation using periodic survey and other methods. There is great need to develop these indicators.

### **7.9.1 ORGANIZATIONAL EFFECTIVENESS**

Almost all the 14 organizations have done well in the last few years. A few of them have gone through or are still going through turbulence environment now and then, but all of them have stood strong. On the whole, each organization has done well although to a varying degree. For example, Larsen & Toubro, BHEL, ECC, BEML, SBI etc., have done exceedingly well in the last few years. The Chairman of all these companies make it a point to acknowledge the contribution of their human resources. It may be presumptuous to say that HRD has largely contributed to the profits and growth of these companies. However, contributions of HRD cannot be ignored. For example, when the Chairman and President of L&T says that the success of L&T is due to the positive attitudes and dedicated efforts of its people, he means it. The extent to which HRD efforts have contributed to such dedicated and positive attitudes is not easily quantifiable but one believes that HRD efforts did play a significant role. To prove or disprove such relationships one has to imagine the organisation without HRD department and mechanisms as well as discount the tendency of people to glorify the past and ridicule the present. What would have happened in SBI if it continued without introducing HRD (i.e. without the new appraisals systems, manpower planning, skill inventory, orientation programmes, OD exercises, HRD managers and the Chief Officers and CGM (P & HRD)? Or what would have happened to Voltas if the top management did not have a HRD orientation? Or what would have been the performance of SBP without all that emphasis on HRD between 1983 and 1986? How would ECC be if the OD efforts and other efforts triggered by it did not take place?

### **7.9.2 FUTURE DIRECTIONS**

The most neglected group in HRD are the line managers. The HRD effect will become visible and stronger only when the line managers start accepting and internalising their own role. The success of HRD will be the day when every employee sees himself as a developer of his subordinates. The HRD departments will not be needed when such a situation arises. In other

words, HRD people should work towards their dispensability. We have a long way to go in this direction.

The second neglected group in HRD is the unionised categories of employees. HRD for them also need to be attended fast as they are in large numbers and form the foundation of the organisation. The nature of HRD instruments may have to be different. Organisations have neglected this so far. Part of the reason may be unions. But in the area like HRD the union leaders also have a role to play. For their members they should probably play the role HRD managers are playing today for supervisory staff and managers.

The HRD managers should assist the unions and promote the spirit of collaboration.

Thirdly there should be more research in this field to answer several of the questions raised earlier in this unit.

#### Appendix - 1 Introducing HRD Systems in 14 Organisations (Summary)

Sr. No.	Organi- station HRD Function	Operating Mode of HRD	Year of starting Mechanism	Integrating Role/ HRD	Reasons for starting
(1)	(2)	(3)	(4)	(5)	(6)
1.	BEML	Separate HRD Department	1978	G.M./Dir. Human Resources	Reorganisation and Planning for Future
2.	BHEL	Separate OD Department	1981	Executive Director	Problem Solving and Competency Development
3.	BOB	Separate HRD Department	1978	DOM Personnel	Stengthening Head Office
4.	COL	Personnel & HRD Combined	1979	GM Personnel & MD as Chairman of HRD Taskforce	Preparation to Meet Challenges and for Future
5.	Jyoti Ltd.	Separate HRD Department	1980	Executive Director	Preparation for Better Future
6.	IOC	Separate HRD Dept. in Chairman's Office & Units	1983	Director Personnel	Problem Solving & Meeting Challenges
7.	L&T	Separate HRD Department	1975	Vice-President Personnel & OD	Change of Appraisal Systems and Recognition of Importance
8.	L&T ECC	Personnel & OD Combined	1982	Managing Director	Meeting Challenges of Environment and new opportunities
9.	SAIL	Use of Existing Personnel Function	2 activities focussed in 1985	Director Personnel	Renewal and Movement to Excellence
10.	SBI	Separate HRD Dept. in All Circles & Central Offices	1979	Chief G.M., Personnel & HRD, Dy. M.D., Personnel	Recognition of Importance & Meeting New Challenges

11.	SBP	Separate HRD Dept.	1976	General Manager Planning & MD	Recognition of importance & Meeting
12.	SFL	HRD Department	1984-85	Head., Corp. Plng. & Development. & MD	Growth, New Opportunities & Inadequate Manpower
13.	TVS	Separate HRD Dept.	1983	Executive Director	Prepn. for New Challenges, Competition from Market.
14.	Voltas	Recognising Performance Appraisal, Communication Policies, etc.	Latest 1982	Vice-President Personnel	Preparation for Profit, Growth and Excellence
<b>Use of external consultant</b>	<b>Use of Internal tasforce</b>	<b>Initiating Eanphasis</b>		<b>Other subsystems emphasized subsequently</b>	<b>Indicators of Success</b>
(7)	(8)	(9)		(10)	(11)
Yes	Yes Quite Frequently	Performance Appraisal Counselling, Training OD		Training	Investment in Training Increased
Yes	Yes	OD Interventions, Problem Solving Workshop		Management Employees Communication, Survey Feedback, Team Building Exercise.	Several Suggestions Implemented, Overtime & Absenteeism Controlled.
Yes	No	Performance Appraisal		Training, Skills Inventory	Continuation of new Appraisal and Training
Yes	Yes	Role Analysis Performance Appraisal		Potential Appraisal and Development, Counselling Team Building	Use of Role Analysis Exercises for Promotion Decisions, Continued
Invoice					ment of 'Top Management
Yes	No	Performance Appraisal		OD	-----
		Role Analysis		Performance Appraisal, Counselling Worker Develop ment, Critical Attributes	Continued Support of Top Managements
Yes	Yes	Performance Appraisal and Counselling		Critical Attributes, Training OD	HRD Climate as at a Very High Level
Yes	Yes Extensively	Team Development, Role Clarity		Performance Appraisal, Counselling, Critical Attributes, Training, HR Information.	Continued Top Management Support
Yes	Yes	Performance Appraisal, Priority for Action		The Associated Issues are Being Taken Up	Just Started
Yes	Yes	Performance Appraisal		Counselling, Training, OD, Job Rotation, Potential Appraisal	All Personnel Decisions Being Taken Using Data Generated from HRD
	Initially				

Yes	No	All subsystems	All subsystems like SBI	Improvements in HRD Climate Marginally
No	No	Performance Appraisal	Training, Manpower Planning role Clarity	Involvement of top Management
Yes	No	Performance Appraisal, Training and Career Development	Continued Emphasis on Same	Yet to be Seen
Yes for OD and Such Other Exercises	No	Training, Performance Appraisal, Communications	Continued Emphasis on Same	HRD Climate is Very Good

## 7.10 SUMMARY

These are just a few illustrations that are indicative of HRD strategies used by the Indian Organisations in the recent past. It is ultimately the people who can make the organisation grow and become competitive and it is people who are likely to drive business and its people who are likely to make firm competitive people are dynamic. They need to be understood and nurtured continuously and their talent identified, nurtured and developed. They have unlimited potential and it should be recognised.

The experience show that HRD has to cover the total organisation and all employees. it cannot be an isolated programme. The environment of development has to be created for HRD to achieve its developmental goals. In many organisations, managerial practices may have to be significantly modified to achieve the goals of HRD. The nature of HRD strategies may vary from one organisation to another, though certain features are common. All HRD strategies are concerned with enhancing the capabilities of individuals, involving them in the work they do and initiating measures for them to adjust better to the job and the environment. The example of 14 organisations were discussed for the implementation of HRD strategies.

## 7.11 SELF ASSESSMENT QUESTIONS

- 1) Discuss the role of HRD strategies for organisational effectiveness.
- 2) Discuss the HRD strategies which were implemented/practiced in Indian Organisations.
- 3) Differentiate the implementation of HRD strategies in public and private sector organisations.
- 4) How can you adopt the HRD strategies in your organisation for excellence.
- 5) Discuss briefly the out comes of HRD strategies in Indian Organisations.
- 6) Discuss the role of change agents and line managers involvement in HRD strategies for implementation in the organisations.

## **7.12 FURTHER READINGS**

Rao T.V. : Performance Appraisal : Theory and Practice, AIMA, New Delhi, Vikas Series, 1984.

Rao T.V. and Abraham, E : HRD practices in Indian Industries, in Rao T.V, Pereira, D.F: Recent Experiences in Human Resource Development, Oxford & IBH, New Delhi, 1986.

Rao T.V. and Abraham, E : HRD Climate in Indian Organisations, HRD News Letter, 1985.

Udai Pareek and Rao T.V. : Designing and Managing Human Resource Systems; Oxford and IBH Publishing Company Pvt. Ltd., New Delhi, 2004.

**Dr. G. B.V.L. NARASIMHA RAO**

**LESSON - 8****STAFFING FOR HRD****LEARNING OBJECTIVE:**

After going through this lesson, you should be able to

- \* know the roles of the Human Resource Developer
- \* study the applying role concepts to the organization
- \* understand the staffing practices for HRD
- \* familiar with categories of HRD people

**LESSON STRUCTURE:**

- 8.1 Introduction**
- 8.2 Roles and the Human Resource Developer**
  - 8.2.1 Learning Specialist**
  - 8.2.2 Administrator**
  - 8.2.3 Consultant**
- 8.3 Applying the Role Concepts to the Organization**
- 8.4 Staffing Practices for HRD**
- 8.5 Categories of HRD People**
- 8.6 Resources for Staffing HRD Activities**
- 8.7 Internal and External Staffing**
- 8.8 The Role of Line Managers in HRD**
- 8.9 Line Managers and Work Systems**
- 8.10 Summary**
- 8.11 Self Assessment Questions**
- 8.12 Further Readings**

**8.1 INTRODUCTION**

The assumption of this lesson is that every organization, immaterial of the size, should have an HRD unit. It can range from one person, who is expected to give only a limited percentage of his time to the HRD function, to a unit of several hundred people. There are no yardsticks to suggest the proper ratio of HRD people to total organization. There are too many variables to be considered. This lesson provides some guidelines which will enable a manager to consider the size of the unit and kind of people who should be in it.

There are organizations which for a variety of reasons (HRD out sourcing) prefer to give on contract the HRD programmes or to send employees to outside learning activities. A manager can decide to do this, but should be aware of the trade off. There are some losses entailed by having the entire HRD function external, but if this is the decision, it should be arrived at after careful consideration of the alternatives. This lesson discusses most part, focusing on those organizations that have some in house HRD activities. There are many researches who have discussed about the roles



and staffing of HRD, but Nadler discusses with the following heads in his book 'Corporate HRD'.

## 8.2 ROLES AND THE HUMAN RESOURCE DEVELOPER

Research has given a way of looking at the Human Resource Development through the concept of roles. The role theory has many aspects and that there is no complete agreement on what is meant by "role". To our study, role is the expected behaviour of an individual as perceived by that individual and by others in the organization. As such, any discussion of roles is like the concept of average. This is like a story of the individual who had one foot on a hot stove and the other on a block of ice. He was comfortable on the average.

Expected behaviour relates to what the individual should be doing. This is composed of what the individual can do, and what the individual like to do. If these two are the same, it is likely that job satisfaction will be high. Frequently there are areas of mismatch between these two expectations. The HRD people can do much more than they are doing, but often get trapped into doing what they like to do. The HRD person might like to be a stand-up instructor and receives excellent feedback from such a performance. It is likely that without any intervening factors, the HRD person will continue to function in this role for it can be done and the individual likes to do.

The alternative is also possible. The HRD person may be a stand-up instructor, but a poor one. However, he continues in this role even though he cannot do it, for he has few alternatives. May be he is not aware of the alternatives and this may be due to the perceptions of others in the organization.

Many people are of the opinion that "HRD is teaching". This is a tremendous over simplification and represents only one of the possible roles an HRD person should be able to perform. If the organization has been accustomed to seeking "HRD people as instructors", then there is no point. The HRD person should fight to over come from this type of role, if he is constantly assigned the same role. This has been one of the contributing factors to the use of the OD title. As OD emerged, some HRD people found that if they changed their titles, it was also possible to change to restrictive roles which were forced upon them, even though there were situations where they had brought upon themselves. The new title was given to the individual and he was called 'Director of OD', but it did provide an opportunity for new behaviour which had been restricted when the individual was the 'Director of Training'. Change of title to 'Director HRD' allowed for some role changes.

### ROLES OF THE HUMAN RESOURCE DEVELOPER



The concept of role is two sided. It consists of the individual exhibiting the behaviour, and these individual to whom the behaviour is being exhibited. The above description presents an overview of the three major roles and eleven sub roles of Human Resource Developer.

### 8.2.1 LEARNING SPECIALIST

A common role, for many HRD people is that of the learning specialist. This is the term used to encompass three sub roles, all of which are directly concerned with delivering the learning programme to the learner.

#### i) **Facilitator of Learning :**

Facilitator of learning is the general term used for a teacher, group leader, presenter etc. It is the person who directly interfaces with the learner in the learning situation. Recent advances in learning practices have greatly altered the behaviour of the facilitator from the traditional pattern.

In some cases, there will be stand-up instructor. This is the individual who directs the learning situation through a variety of techniques, methods, and devices (i.e., strategies). The most common even now is the lecture method, despite all the research which say it is one of the poorest ways to learn. Therefore, the organizations look for platform skills in the individual to be appointed as instructor.

Among the recent advances is the use of "educational technology". This means using some kind of machine-mediated instruction rather than a stand-up instructor. The practice can range all the way from machine mediated instruction that merely supplements the human instructor (e.g.: audio visual materials) to having absolutely no person involved (e.g. self instruction). In those rare cases where there is self instruction, without a human mediator, there may still be a function for the HRD person probably as coach. Self instruction can be very appealing for it allows learning to take place with a minimum of time off the job. This can apply to you or to your subordinates.

Another newer trend is self learning, which is not the same as self instruction. In the later, there is a previously well defined package or route which the learner must follow. In self learning, there is a much more fluid and evolving situation. An important element can be the use of contact, utilized to accomplish the learning and the way in which learning will be evaluated.

Despite the new trends, there is still a great emphasis on the instructor, for this is the most obvious part of the learning programme. The HRD is too frequently put into terms of class hours and instructor performance.

#### ii) **Curriculum Builder:**

In its most direct terms, the curriculum is the sum total of the learning to be accomplished. It is the content and the sequence of the material to be learned. The main activity of curriculum builder is to design the learning activities. There are many ways to do this and the competent curriculum builder must be familiar with the various models and the theories of adult learning.

The curriculum builder need not be a subject matter specialist, and is perhaps more valuable to the organization if he is not asked to provide the subject matter. The range of behaviour expected is from building a programme from scratch to being able to recommend to which already available learning programmes will best suit the identified need. This latter requirement should not make the curriculum builder a booking agent which, unfortunately some tend to be. It is not a matter of merely knowing what is available and posting it on the bulletin board. This can be helpful, but this is not the

role. Rather, it is the curriculum builder who starts with an identified need and then designs the content and sequence of learning.

The curriculum builder keeps in mind given instructions. The content and sequence will have to be modified, depending upon who will actually be the instructor. The curriculum builder is a much different kind of employee than is normally found in private industry, or in much of the public sector. The curriculum builder works behind the scenes to provide a product which is consumed within the organization. The work he produces is essential to the performance of another member of the organization.

### iii) Instructional Strategies Developer

As soon as the curriculum has been built, there is the need for some specialised instructional strategies to enable it to function. This includes various types of utilities such as writing cases, developing role plays video tapes. Some curriculum builders prefer to make their own tapes and when they do, they are actually combining the sub roles of curriculum builder and instructional strategies developer. More sophisticated materials may require special people who have the skills and ability to produce materials of professional quality.

During the 1960s many people made extensive use of the overhead projector, and today that particular piece of equipment is still used more than ever, with many materials available to produce the necessary overhead transparencies. But in the 1960s materials were not as readily available. The persons who used it produced their own overhead transparencies using a form of letters which could easily be transferred onto the clear overhead transparency to produce a professional quality item ready for projection. Utilizing specialists for methods or materials can produce another result, it would be less costly to actually set up their own rather going for external.

The continuing developments of new forms of audio visual materials and other forms of non-written devices makes this sub-role even more important. There are many specialities within this sub-role, and some large organizations have production capabilities which could compete with these organizations producing movies for T.V. Indeed, some of the facilities actually do this, but they are called videotape recordings and could compete with any of those produced for commercial consumption.

## 8.2.2 ADMINISTRATOR

Administrator is the general term applied to those behaviours which are done by any administrator, but in this case the word will be sharpened to focus on the HRD function. This role could be called as manager and does include those behaviours related to the management of the HRD function. As with the learning specialist, these sub roles could all be done by one individual, or there could be separate units for each. The listing of sub roles does not present any particular hierarchy and none is intended. They are possible depending on the organization.

### i) Developer of HRD Personnel :

The emphasis here is on HRD personnel who are involved in the HRD function. HRD people are so busy taking care of the learning needs of others, their own are sometimes overlooked. Many kinds of HRD personnel are included in the category. The most obvious are those who are full-time HRD people serving in one or more of the sub roles.

Another category consists of the temporary people. They are employed by the organization, and for a limited period of time are assigned to the HRD function. In this case temporary means for

a few weeks or at most a month or two on a full-time basis. Usually the permanent or longer standing persons will be HRD persons. Temporary might be instructors, where the subject matter is highly specialized and the particular people are needed during the conduct of the programme. This can happen with engineers, sales and some of the technical HRD programme.

Part time is another category. In the case, the individual doesn't leave the regular job, but spends several hours a day in the HRD function. This is the case where a supervisory training or education programme as conducted by a person who is already a supervisor, and where the instruction is given either a few hours, a day or concentrated into four or five days. In such a situation the supervisor/instructor has a part time assignment to the HRD function. At times the manager too is asked to conduct a session to sit on a task force to build curriculum. The manager need not leave his regular job but for many hours, and perhaps even a day or so, given to this type of duty you were part time in the HRD function.

Generally, it is unlikely a person would be assigned to this sub-role on a full time be although where there is a large instructional staff, where the function of the organization is instruction. Only lately, with less emphasis on hiring and more on improving existing staff, have such organizations begun to explore this activity more closely. The role developer of HRD personnel is very important, he should not be appointed on temporary basis and should not be assigned to an outsider on temporary basis.

The person in-charge of HRD unit will look after this sub-role. Usually it is not assigned to anybody on full-time. If the organization has week performance appraisal system then this sub-role also will lend to be very weak. There are many good and valid reasons to emphasis this sub-role. They are the same reasons that require HRD opportunities to be provided to every member of the organization.

#### **ii) Supervisor of HRD Programme:**

This is the sub-role concerned with day to day management of HRD programme. It includes the record keeping selection of learners, obtaining feedback on performance where appropriate, identification and utilization of instructors liaison with curriculum builders etc. It is the thin king pin among various HRD sub roles. Usually the manager of the HRD unit will be found in this capacity, but this is not necessarily so. Where the programme is small, the manager is probably doing the supervisory task but where the programme and activities are broader, the manager would delegate this sub-role to another person or persons.

The supervisor is concerned not only with the programmes actually being conducted but also with those being planned. As such, the supervisor cannot do the job sitting behind the desk and filling out forms, even though this is an essential element of the job. If it is a manufacturing organizations, the supervisor of HRD programmes should make trips to the shop floor to become familiar with operations and climate of that part of the organization. Organized follow-up activities would include conversations with supervisors, foremen, and any other who have been involved in HRD activities.

The supervisor of HRD programme gathers data for the manager showing how the HRD function relates to company operations and management decisions. The supervisor of HRD programme keeps the records of the number attended, programme hours and number of courses. This may be helpful in addition to this he should record the type of problems raised and solved. The quantitative aspect of recording can be done by computers. The performance is amendable to

quantification, ofcourse not all. The supervisor should report depending on the work and performance.

### iii) Maintainer of Relations

There will be two distinct communities in any organization. The internal community includes those groups within the organization with whom contact should be maintained. For the HRD unit, these are supervisors, managers sales persons, office personnel etc. They are the various groups within the organization, and the variety is extensive. Of course, if there is a unit, then those who are put at the bargaining unit are one community, while those outside the unit are another.

Externally, a variety of communities exist. For the HRD person, they are endless, like numerous requests or talks, paper, press releases and participation on panels etc. The manager should enlighten the HRD people about how the HRD programme relates to organization operations and policies as well as about the HRD function.

### iv) Arranger of Facilities and Finance

In this role he should keep a breast of the facilities and finances required, available and spent. In many occasions, the HRD people like to be concerned with only learning programmes, and have somebody else handle the finances. Like any other manager the HRD manager needs to know budgeting, finance and the financial operations of the concerned organization. Cash flow is important.

The HRD people also should be closely involved in the budget cycle and deliberations of expenditures. They should know about depreciation or liabilities and difference between stocks and bonds. If the manager broadens his expectations and the other staff knows about it, then the manager would find that the staff knows more about management and finances. This will make the manager and staff work as a team for the development of the organization.

## 8.2.3 CONSULTANT

The label of "consultant" is used on many behaviours, thus it becomes difficult to use it to describe anybody or any role. There is no alternative. There is a limitation to the term. It is often used to describe only an external resource. But for our study consultant can be either internal or external. There are so many types of consultants. Consulting is a form of behaviour, but the subject of consultation can make a significant difference in the expected outcomes and the respective responsibilities.

During the consultant relationship, the manager of HRD is referred as a "client". The designation of client is not meant to put the HRD manager into a dependency situation, but rather to signify that and consulting relationship involves two parties - and practice has levelled them as client and consultant.

This relationship can be seen through the four sub roles. These roles indicate the various ways the HRD people serve the manager when they function as consultants.

There is a misconception that if a HRD manager asks for a consultants help, then he is not a good manager. He may at time also think that his job is at jeopardy. But this is not true. The manager should recognize that at some time, everybody needs help. Even consultants to need help. It is not uncommon for consultants to call in other consultants to help them. There are many forms of informal arrangements to do this, and even some formal ones.

**i) Advocate :**

In this sub-role, the consultant is offering advice, and at the same time giving a specific answer. At times the manager also needs a specific answer. Too often, as a result of the influence of leaders in the field who stressed the nondirective approach, consultants rely in questioning behaviours as their main technique, or, they rely or seeking motivations or other behavioral components. These are helpful, but only in response to the right need.

As a consultant/advocate, management has a right to expect a specific answer to a specific question. Management has made a decision, and now needs advice from the consultant on how to implement it. The advocate should give clear and specific answer.

**ii) Expert :**

There are situations where the consultant cannot respond so readily, because even though the need is clear and the management decision has been made, there are alternatives to be considered. In this situation the manager needs a consultant who can offer advice with alternatives. The consultant with his expertise can say, "based on research, evidence, and experience here are some of the alternative ways in which you can satisfy the learning need you have state".

For example to use the case of a manager who has decided to implement a career development programme for his employees. The consultant/expert should ascertain what management means by career development. They might argue that it is a carefully designed programme to assist employees in identifying their career goals and developing individual development plans. Now, the consultant/expert can react and offer several different ways in which this could be done. There could be a strengthening of the personnel / HRM group; who really should be handling this area - perhaps they need training in counselling. Another approach is to use outside firms that specialise in this kind of counselling.

**iii) Stimulator :**

In this sub-role, the consultant serves in the capacity of one who does not have answers, but knows how to ask questions. The outcomes are much more vague than in the previously discussed consultant sub roles.

**iv) Change Agent :**

Change is the name of the game. Managers are constantly confronted with change and make decisions regarding change. The HRD consultant/change agent can be helpful in assisting management plan the kind of change that relate to human resources.

For a consultant to function as change agent, within organizations he must know more than learning theory. The field involves multi disciplinary work. The consultant change agent should also have studies or had significant experience with organization behaviour. Now a days more and more consultants concerned with OD are building their skills by focusing their own growth in the are of learning and organizational behaviour. Its a necessary mix if one is to be helpful as a consultant/ change agent.

### 8.3 APPLYING THE ROLE CONCEPTS TO THE ORGANIZATION

Once there is an understanding of the roles, it is possible for a manager to utilize the HRD unit more effectively. Mutual expectations can be surfaced and service to the organization enhanced.

The roles can also serve to bring the expectations into line through mutual discussion. The manager can list the sub roles, indicating those areas where he can expect service from his HRD people. Then taking the list, the manager can discuss this with them - or at least with the manager of the HRD unit. After there is agreement on which sub roles would be help to you, it is possible to get down to specifics. Now the manager and the HRD people can identify the specific kinds of activities in each sub-role which has been mainly agreed upon, and what he expects in the way of service. This provides a fairly specific agenda and can clarify expectations on both sides.

An organization, through the roles, can examine how it is organized and who is doing what, and determine what is being done is necessary.

The staffing of the HRD unit should follow management decision, not the pressure of some individuals to build up their departments. If the organization is becoming involved in change and increasing the use of consultants, the HRD unit should be staffed to reflect this management.

When an organization uses a great deal of self-learning materials, it is likely that there will be a section within the HRD unit which prepares and produces these materials.

Small organizations tend to have one person as the administrator, and then supplement this individual with part-time and temporary assistants. The variations in staffing almost defy description. The important part is that the staffing should reflect carefully thought out-management decisions, relative to the contribution the HRD unit and staff can make to company goals.

## 8.4 STAFFING PRACTICES FOR HRD

Many organizations do not have written policies for Staffing the HRD function. Too few organizations have their policies in writing. The reasons vary, like the HRD unit is staffed on an adhoc basis or as a result of personal pressures.

The various roles discussed in the unit - Staffing for HRD to look at the HRD function, the people, and what the manager expects from this function. It will probably take time to identify the questions the manager want to ask and to process the response he gets. The manager should involve in dialogue with the HRD people, and all of this is important if the HRD function is to contribute to the success of the organisation in the meaningful ways it can.

The written statements are easier to find, and may be included in policy manuals or organizational manuals, or whatever the company calls the compendium or written policy statements. Once again, do not be surprised if there are few or no statements related to HRD. In too many organizations, the staffing of this function is not done on a planned basis. Instead, there are reactions to pressures and trends.

The modern HRD organisations usually have written policies for staffing the HRD function. But the traditional and small organisations may not have written policies and the HRD personnel are recruited on an adhoc basis or as a, result of personal pressures the CEO should involve in a dialogue with HRD people, and thus make it important if the HRD function has to contribute to the success of the organization in a meaningful way.

The written policies are easy to write and they can be included in a manual. In many organizations the staffing of HRD function is not done on a planned way. This may result at times reactions to trends and pressures. For examples a multi national organisation had a large HRD unit consisting of a curriculum builder and instructional strategies developer as a reaction to the head of the HRD unit. He was an exponent of the programmed instructions and directed the entire

HRD in that direction. The effort collapsed, as in the case of any single approach and the HRD unit. The new employees voiced disinterest in such an assignment and stayed away from it. This organisation showed that the HRD unit was built on the likes and dislikes of the manager of HRD. He failed and the whole unit suffered. This has resulted the organization to go for outside staff. This was not written in any manuals only personnel officer / HR manager, recruited the staff knowing that nobody is willing to take the risk.

## **8.5 CATEGORIES OF HRD PEOPLE**

Many organizations in the past used to recruit people without any particular degree. Of late this started changing and many organizations are advertising for graduates in education, behavioural science, psychology, or some combination of the same. The graduate programmes in HRD are being developed only recently. The research in HRD started from 1965 onwards. There were some research studies earlier too but significant and remarkable studies saw light only after 1965. This increase is gradual and important because there were some who are not familiar with the research and development in HRD.

In most of the organizations the HRD units are run and staffed by various kinds of people lead into confusion and chaos. This is not special. Only to HRD, but this phenomena can be observed in many established professional groups.

According to Nadler the categories of HRD personnel can be classified into three categories: one Professionally identified, two Organizationally identified with (a) time definite and (b) time indefinite; and three Collateral duties.

The people in the professionally identified category represent a minority and stay for a longer period. They are usually with HRD degree and like to stay longer in the professional life. The changes in society and in individuals at times may force him to opt for another profession also.

As in the case of any professional category people this person will be in dilemma at times as the profession suggests one direction and employer suggests another. For example a person in this category took the HRD concepts and conducted the organizational diagnosis of HRD. He found that the organization was good on training, little of education, and doing, nothing about development.

As an academic of HRD he is bias towards HRD which is natural and felt that identifiable development is not taking place. He decided to shift to the organization. Suppose if he is in category II Organizationally identified he would have waited until he was reassigned. In most of the organizations many HRD personnel are under Category II. Internal mobility is important, for a variety of reasons, and HRD is one such flexible area where people can move. The unfortunate thing is that the category II people usually come without any preparation to the job. They will be there for a limited period of time and they will create an impression during their stay. The only fear for category II is that they will be assigned any other function before or beyond the time.

In some organizations if the person in doing good job he will be retained in the same position. In some other organization the company policy is to move people who are doing good job. This type may create pressure on category II to produce at a high level in a short period of time.

The category IIA person as well as category IIB person also will be under great pressure not knowing when they will be transferred and to show some immediate results.

At times there will be confusion about the level at which the category II can be placed. For



example in one organization category I person is heading the HRD unit which is staffed with many (if not all) category II people. It does not always work that way. People who are being rotated through the organisation, in managerial positions, are obviously being groomed on high level positions in organisation. Therefore when a category II person is moved into a unit such as the HRD unit, the possibility is that he will be put at the top position.

A major company, using this staffing policy selected a marketing executive and made him in charge of the HRD function at a corporate level as a category IIA Manager. After looking at the situation he decided to initiate an 'Executive Development' Programme. He held a meeting of HRD staff and assigned them the goals. He then applied management by objectives and, with stated goals, had each HRD unit member specify how efforts would contribute to reach the goals. He suspended and cancelled all other activities. Only EDP was the goal. He prepared the budget and used the available outside resources. The story did not end in a perfect conclusion as the programme was wrong choice and started on a wrong time and when country and the company are in financial difficulty. It took several years to recover from this - focusing all its efforts on one programme. Which was decided solely by the IIA HRD Manager.

In some cases category II people, assigned as HRD Managers do a magnificent job. As a good manager they try to find out what the unit has been doing - and how this relates to the organization. They find out the strengths and weaknesses of the staff in relation to the unit and programme also. In many instances the category II people look at the category I as lower level people. The category II people also want to project themselves as a general Manager and see others also in the same way.

If both category II and category I staff work together, there will be benefits for both and to the organization. Usually the category II persons know how HRD function can contribute to the organization. If the category I person works with category II person as a superior, rather than as a learner, it will be really helpful.

The other situation is where the category II person is brought in as subordinate to category I. At this juncture the sub roles become more important. The category II person will be there for a short period of time, as compared to category I. Usually the category II person will bring strengths and weaknesses and his professional and personal goals. If he is effectively used and controlled he will be an important resource to the category I manager. This requires allocation of particular sub roles which are more important / appropriate for the individual and the organization. As some sub roles require years of preparation and the category II may not be having this background. The category I manager can make the assignment a rewarding one for the category II Person. Conversely the category I may leave the assignment with a negative feeling towards the staff and work of the HRD unit. Thus, it should be identified and clear about what is expected of each category.

The category III persons are visible in small organizations which do not have an HRD unit. The head of the personnel department usually takes care of the HRD. They do not know what to do and they try to learn through attending conferences and institutes. This also can be admired. The category II people have only a small role to play as HRD in-charge and they are not familiar with learning theory, trends in the field, the current research, and other elements that contribute for an effective HRD operation.

Many organizations have HRD unit within the Personnel / HRM department. Though there is category I person in such cases he has to function in a difficult situation. At times this forces category I to become category II or leave the organization. So it is advisable to have a separate

HRD department with an independent man to look after for the benefit of the organization and employees.

## 8.6 RESOURCES FOR STAFFING HRD ACTIVITIES

Staffing for HRD can be done in many ways. As stressed and indicated the use of the sub roles and an agreement with staff helps in a big way to function. In addition and depending on the specialization there will be lot of dimensions.

## 8.7 INTERNAL AND EXTERNAL STAFFING

There are lot of controversies on the relative merits of internal and external staffing. That is from within the organisation or from outside the organisation. If salary is paid by the organisation, the HRD people are internal, wherever they are physically present.

The term consultant is usually to denote anybody from outside the organization. To be more clear of roles, the consultant in HRD is used in a specific manner to describe behaviour rather than location. But at times an external resource may be brought to conduct a course, an instructor, who do not come under consultant category. The roles of Learning Specialist and Consultant are usually filled by external resources. The Administrator need to be internal persons.

Some organizations find, that it is financially advantageous to bring in external source for instruction. The main reason for this HRD staff avoid delivering do instructions as they are not qualified and finds difficult or requires time for preparation and some completion. But in real sense and in the long run this looks advantageous and economical. But if this is the case the HRD people want to function, a full time instructors and economically also if it works out then there is no need for a full-time instructor. The cost of an internal instructor becomes economical. Supporting activities like secretarial, orientation, supervision and affirmative action my be attended by full time staff. If the HRD personnel also have the capacity to fill the other two sub-roles of Learning Specialist, Curriculum Builder and Instructional Strategies Developer, that would be more beneficial to the organization. It is easier to find external resources for instructors than other sub roles. If the subject matter is highly specialized like quality control it is better to have an external resource.

There is lot of debate and discussion about the consumer sub role. That is whether he should be from internal or external. The research shows that an external person is effective to internal. In organizations also there is a tendency to go for an outside consultant because of their reputation, access and easy termination. As HRD is gaining important HRD staff also are improving their consulting skills and becoming good consultants.

The administrator sub-role also can be done effectively from within the organization. If it is done by an external resource, the organization losses effective control and responsibilities to daily shifts and demands.

In selecting an external resource the HRD personnel should be careful. The external resource should have previous experiences and satisfactory report. As the field grows and changes, there will be new people to find products, constantly emerging. As such the HRD people should be careful in checking previous performance. In such instances demonstration capability would be a good thing. There are many organizations that can supplement the internal resource. Thus the HRD staff can easily be supplemented by external resources.

There are major publishing houses which prepare all varieties of HRD packages. They are

previously prepared and tested and available on the open market. Some of these materials are excellent, but some are not up to the mark as they advertise. While finalizing and buying it is better to discuss with colleagues.

These are only various resources to supplement an internal HRD staff. But they should not be used to replace the HRD staff. If an organization decides to rely mostly on an external resource, the organizational climate and value for human resources will be damaged.

There is another way of staffing by taking each sub-role and try for other possibilities. For example the sub-role of facilitator of learning, can be filled internally and very easily. There will be many people in the organization who can fill this role. The developer of HRD personnel can help him initially.

If the organization is vast and diversified the instructors can be identified locally. Depending on the instruction and design of the programme the manager can keep a panel and can decide on the basis of the requirement. If the HRD unit is having its own people as the instructors they learn best by teaching. And they will be helpful to the HRD unit in many ways. It is better to use the HRD staff in this sub role.

The facilitator of learning sub-role can be filled by external resource. There are many resources available outside the organization for many of HRD needs that have been identified within the organization. There are HRD service organizations that specialise in offering various programmes that can be utilised in-house. But the organization should be cautious in selecting and assigning to external resource because they emerge and disappear rapidly.

If a new equipment is purchased like computer, the supplier will offer a training or education programme as necessary. The manager also should take into consideration various factors before signing a purchase contract. Because he has to decide who will give the instruction whether the HRD unit or-supplier.

Other external resources are the institutes and universities and distance education centres.

The curriculum builder sub-role can be attended internally. The in-charge should have skill in programme design. The common practice is to link them with other in-house people. The subject matter specialist (SMS), will be an internal and regular employee who know the subject matter that needs to be learned. A good curriculum builder will take guidance and assistance from SMS. They may be supervisors, but even lower people also can function in this SMS area. If the SMS is from an external resource the design and programme may not fulfil the need of the organization.

The external curriculum builder is desirable, if the HRD does not have personnel with design skills. He also plays the role of instructor. The benefit is the outsider can provide the most-up-to-date information on research and practice. At time though the curriculum builder is from external resource still the instruction can be given by internal person.

If the HRD unit does not have personnel with design skills then it is better to go for externals. Only problem is if the external curriculum builder designs he will design it in such a way that it is taught only by external instructor. The instructional strategy developer sub-role can be filled internally but the staff in HRD should be specialists. If there is no special staff then it is better to go for external resources.

There are many kinds of strategies and materials. If there is need for graphics or specialized

audio visual materials, it might be better to contact externally. If it is essential to produce video tapes, this requires special skill and equipment, so it is better to go for external source for contract.

Another skill is writing cases. It may appear simple, but it is difficult and time consuming some curriculum builders prefer to write their own cases and some other prefer having written by specialists. It is better to use internal people with the skill, if the case method is used extensively.

A limitation of staffing in this sub-role internally is that the resultant products are limited by the skills of the staff and the equipment they have. If an organization chooses to staff this sub-role internally it should make budget available for the purchase of new equipment as soon as it comes to market.

In reality many organizations fill this sub-role with an external resource by contract or employing for a limited period. The sub-role of the Administrator should always be staffed internally. It is difficult to find a situation to hand over this role to an external person. Only selected positions can be staffed by external people, but that too only in a very limited circumstances. The external resources might be brought in to help assess the hearing, needs of the HRD staff to suggest appropriate learning experiences.

In this case, the external resource is functioning as a consultant to the HRD unit, not as a developer of HRD personnel. The actual learning experiences can be done internally or externally. The function performed here also is an instructor or curriculum builder. All these functions of the administrator cannot be given to an external resource.

The consultant can be either internal or external. But it should be clearly identified. If the consulting work is heavy, it is better to prefer an internal man. In reality many HRD people prefer to function as consultants to their own organization. Consulting work is much more variable than of the learning specialist. As a learning specialist he has to forecast the need and schedule the learning experiences or designing the programme. For an external consultant such scheduling is impossible. Consulting arises from a need for help and it is usually not possible to anticipate when, this need will arise. If it is a large organization it is better to keep one or more people in the HRD unit with the responsibility for consulting, assuring that the kinds of consulting needs match the skills of those available.

As in many cases consultancy is staffed externally. Before assigning to an external person the HRD head should have clear mind about the consulting help needed. A new trend is emerging which defines classification, it is apparently seen more in consult role. Good consultants are always in demand. An organization can have a good consultant in its HRD unit and can even utilize this person full time. People with consulting skills and, experience find it challenging to work for a variety of organization in different setting. In many instances category-I people though they are willing, depending on their capacity and calibre will receive variety of opportunities of working with other organizations. Though there are restrictions, The internal man will be encouraged to accept the consultancy work outside the organization as long as it is not with competing organization. The leave/ vacation/salary etc., are decided mutually by the consultant and organization.

## **8.8 THE ROLE OF LINE MANAGERS IN HRD**

Line managers have an important role to play in ensuring the realisation of HRD objectives. While the top management should make available the resources required for investment on human resources, and the HRD department should provide instruments and systems that can be used by the organisation to develop its human resources, it is ultimately the line managers who translate

these into action. This involves first of all realisation on the part of the line managers that they have the responsibility to develop and utilize their employees.

To understand the role to be played by the line managers in developing human resources, it is necessary to understand the concept of development and the conditions under which development takes place.

Development can be defined as the acquiring of new competencies. Such competencies may help in performing the existing tasks better or faster, or in performing new tasks. These competencies include cognitive abilities (acquisition of new information, new concepts, ideas etc.) attitudes and orientations, values and skills. These may deal with managerial functions (coordination, planning projecting etc.) or technical areas (designing a machine, servicing a product etc.) or behavioural aspects (leading a group, building a team, motivating someone etc.).

- i) The employee should perceive that his acquiring new competencies helps him in fulfilling his psychological needs.
- ii) The employee should perceive opportunities for acquiring such capabilities.
- iii) The employees should be aware of the capabilities he needs to develop.
- iv) The employees should have mechanisms of assessing his own rate of growth in relation to such capabilities.
- v) The employees should enjoy the process of growth itself.

A line manager plays an important role in creating these conditions for his employees. Quite often managers are under the impression that HRD department should ensure that these conditions are met. HRD departments can only provide instruments or mechanisms for use by the line managers to create these conditions, but cannot create these conditions.

HRD department and line managers play complimentary roles. Each supplements (and supports what the other does in relation to development of employees.

## **8.9 LINE MANAGERS AND WORK SYSTEMS**

Regarding quality of work life, the main responsibility of line managers includes the following:

- i) Invite HRD experts to design and introduce participatory systems like autonomous work groups in one's unit.
- ii) Provide necessary support by critically reviewing the importance and progress of experiments being conducted.
- iii) Redesign supervisory roles to become more supportive and facilitative.
- iv) Work on productivity and quality will be undertaken mainly by line managers; HRD personnel can only provide the process help by helping line managers to design quality circles, groups etc. and make them more effective. The main responsibility of the line managers will be to invite HRD help both in the designing of such groups and reviewing their programmes from time to time. The line managers should critically review and evaluate the functioning of such groups after about a year of learning from the past experience. HRD help can be sought at that stage also.

## **8.10 SUMMARY**

HRD is a specialised and technical field. Staffing, for HRD should not be done haphazardly or on the basis of who is temporarily label. The HRD function can be staffed by both permanent and temporary personnel but this should be the result of careful planning by managers and the HRD people.

The major roles have been identified as Learning Specialist, Administrator and Consultant. Within them there are sub roles, managers should be aware of these possibilities and encourage the kind of staffing for the HRD unit which will provide best service for the organization.

The Learning Specialist and the Consultant can be either internal or external. The Administrator role is best serviced by only internal personnel. The head of HRD should identify the mix of internal and external resources most appropriate for the organizations activities and programmes. These decisions must be in congruence of financial and physical resource available.

The role concepts can assist in many ways, but each organization must search for its own way of applying the roles. It takes understanding by managers of the role possibilities and the cooperation of the HRD people. If it is expected that the application of the roles will be used as a weapon for beating down the unit, do not be surprised if it is greeted with less than enthusiasm.

## **8.11 SELF ASSESSMENT QUESTIONS**

1. Do you think a separate and professional staffing is essential for HRD department.
2. What is a role ? Discuss the role of Human Resource Developer in an organization.
3. Explain about various categories of HRD people available in an organization.
4. The internal resources are better than external resources for staffing HRD activities  
Comment.

## **8.12 FURTHER READINGS**

Leonard Nadler : Corporate Human Resource Development, (1980), Van Nostard Reinhold Co., American Society for Training and Development, NewYork.

Robert L. Craig (ed.): Training and Development Hand Book, (1976), McGraw Hill Book Co., NewYork.

**Dr. G.B.V.L. NARASIMHA RAO**

**LESSON - 9****PHYSICAL AND FINANCIAL RESOURCES  
FOR HRD****LEARNING OBJECTIVE:**

After going through this lesson, you should be able to

- \* study the importance of physical and financial resources for HRD
- \* know the HRD department as a profit center
- \* understand the requirements of space, internal and external facilities for HRD
- \* study the role of human resource accounting in HRD resources

**LESSON STRUCTURE:**

- 9.1 Introduction
- 9.2 Budget Item
- 9.3 Cost center
- 9.4 Profit center
- 9.5 Variations
- 9.6 Physical Resources
- 9.7 Facilities
  - 9.7.1 Internal Facilities
  - 9.7.2 External Facilities
  - 9.7.3 Internal and External Facilities
- 9.8 Financial Policies
- 9.9 Record Keeping
- 9.10 Human Resource Accounting
- 9.11 Cost Systems
  - 9.11.1 Cost Benefit Comparison
  - 9.11.2 Front end approach
- 9.12 Summary
- 9.13 Self Assessment Questions
- 9.14 Further Readings

**9.1 INTRODUCTION**

The head of the HRD department spends long hours in planning and preparing training programmes. He has to do research on need for the programme, directs planning of the content and review the training aids. Observes rehearsals, helps select participants, and approve methods of evaluation. All of these are normal functions of an HRD head. He is free to spend as much time as he feels necessary to develop a programme. The secret of his success is his planning.

The head of the HRD department considers the financial planning and controlling function to

increase budget by 10 percent then the HRD figure benefits from this decision. If the corporate policy is to cut back, and every department will take a 15% cut, then HRD also will have its usual cut in a similar fashion.

There is an underlying concept related to the budget item approach which should not be missed. It is based on the idea that the HRD unit is not being asked to make any financial recovery for the expenditure. This does not mean that the HRD people are not accountable for the use of budgeted funds. There should be a positive attempt to show that the HRD activity has used the budgeted resources to reach objectives. This can be done by showing increases in productivity, improvement in quality, reduction in rejects, improved customer relations, increased sales, etc. If the organization does not have any such measure for job performance, as it is in the case of managers it becomes impossible for the HRD unit to show any measurable changes.

The advantage of the budget item approach is that the amount to be spent can be specified and agreed upon. If there is an exact budget, the HRD unit can plan specifically and make the necessary commitments for the year. Planning is facilitated and the whole procedure can be accomplished in an orderly fashion.

A limitation is that it is less accountable. The HRD unit must show what it accomplishes. At times to show off for this the HRD unit may focus more on managers than on any group.

Another element which will have an impact on the budget item approach is Zero Based Budgeting (ZBB). It has been around for several years but gained momentum in recent years. The ZBB approach is based on the idea that each activity starts each budget cycle at zero. The traditional approach is to start the budget cycle by looking at past year's budget and performance. Under ZBB, the previous year is important, but is not the basis for the current year's budget. Theoretically, the approach has much to offer. Practically, the major criticism is that it makes the budget process too laborious and time consuming for the benefits which might be derived.

Applying this to the budget item approach, which some organizations are considering, means that there are some HRD activities which are budgeted each year, though the amount may vary. Although the budget item approach is probably the most prevalent system for HRD, managers should be aware of other possible alternatives.

### **9.2.2 GENERAL CONSIDERATIONS ON HRD BUDGET**

General 1.5 to 25% of the total employees salary (with few exceptions) could be allotted for HRD activities as per the various studies and researches done in this context. However the new establishment do need much higher allocation for few months & for which the justification or viability report can be put up to the management with expected benefits terms of rupees) in coming years like route on investment (ROI) plan for new establishment.

Unusual circumstances, when office or entire plants may be shut down for HRD to implement, new technology etc. cannot be overruled. In such cases the costs may vary as high as 100% during this period.

### **9.2.3 BUDGET ALLOCATION**

Basically there are two methods of allocating the budget on HRD activities

- i) All cost on HRD activities observed by HRD department are recorded at one place in corporate office.
- ii) All the cost is assigned to HRD department who has to record and control it.



decisions related to physical objects. This is one reason, it is so much more difficult to manage people than it is to manage the physical resources of an organization.

The cost center approach has the advantage of focusing very highly on cost effectiveness. The HRD is under constant pressure to provide cost data to managers, what it will cost, and what it will save.

Another advantage of the cost center approach is that it is likely the cost data related to the HRD activity will be more readily discernible. The HRD unit will have to institute significant financial controls in order to determine how to cost a programme, and its related activities, so that they can end in a break - even figure.

One limitation, is that a cost center deprives the HRD unit of research and development (R & D) money. This can be budgeted, but it would reduce the impact of the cost center approach. If the HRD want to develop a new HRD programme, it would approach the manager whose unit will benefit from the programme and the risk is in between line managers. Such an approach assures that the HRD unit will be as responsive as possible to the needs and wishes of time managers. It prevents the HRD hit from exploring and experimenting with new approaches unless there is some indication of need and the possibility of financial success. The company must be large enough to sell its new programme to other parts of the company and recover its original R & D expenditure. A small company would have difficulty implementing a straight forward cost center approach, but might couple it with a budget approach.

The cost center approach encourages a low-risk attitude on the part of the HRD unit. The HRD staff will tend to focus its activities on just what the manager is willing to buy. There will be a tendency to continually offer those programmes that are sure of selling. The evaluation is almost strictly in terms of what managers are willing to pay for. This is based on the assumption that if it does not benefit the manager, he will not pay for it. The emphasis will be on strictly observable skills, and particularly, those which can be measured. It should be recognised that this is the underlying premise of HRD function in a cost center approach.

### 9.3.1 MEASURING TECHNIQUES

The measuring techniques of HRD activities are then designed on the following.

- (a) Cost of HRD activities (expenses per unit HRD imparted)
- (b) Change achieved (gain in skill, knowledge or attitude)
- (c) Impact to the organisation (Result or outcome HRD in terms of performance, profitability, quality improvement, conflict management, wastage reduction etc).

### 9.4 PROFIT CENTER

It is another form of financial arrangement for the HRD function under this system the HRD is expected to make a profit from selling the services both internally and externally. The HRD unit will function more like a cost center. The internal fiscal policy is that goods and services sold from one part of the company to another are priced with a mark - up which produces a profit, this also would apply to HRD. If the purchasing unit can obtain the same service and the same quality standard from outside the company, it can go for that. As with the cost center approach, this encourages the profit center to compete with outside suppliers.

A major difference is that the HRD has to market its services externally to other companies. It need not start a new company to deal its HRD product; the same parent company's name can be

In the case of existing/running unit the HRD activities may cost a little as compared to the new establishment i.e. every year budget may be less than the first investment at the start of activities. If we look at the graph (b) we find that OP is the investment which could be for improving skills, knowledge and attitude of managers, supervisors or every other employees QRS shows continuous improvement due to HRD activities and organisational culture improvement and ST shows improvement in experience through learning by doing for a short period of initiated challenges. TU represents the investments on further improving the performance but this may not necessitate the training to be away from his routine duties for longer period and hence the curve is above the datum line. At point X again there may be necessity for retraining or change of job which may cost more to the organisation.

## 9.5 VARIATIONS

It is apparent that there is no one best way to the HRD function from the view point of financial resources. Managers should be cautious and not make decisions which cannot be reversed as needed.

The manager who is aware of the various possibilities will also recognize that all the three can exist within the same HRD unit. It is possible to identify those programmes that the best serviced by a managerial, decision to provide a budget item. There are other programmes which should prove themselves by being handled as cost center activities. There are still other HRD programmes which can be marketed and provide a source of revenue for the organization.

A management decision is necessary to determine which programmes fall into which category. Management also can take a decision regarding the approaches also like having all the approaches in operation at the same time, but this can cause imbalance within the HRD unit.

## 9.6 PHYSICAL RESOURCES

### 9.6.1 SPACE

The managerial interest should be projected by providing good facilities like space of the HRD unit. In any organisation, space communicates the position of management towards any activity. Depending on the organisation and the HRD unit there should be adequate space, if it is small atleast administrative space should be provided. In allocating the organisation should take into consideration not to provide an equivalent space with other similar units. Usually the HRD activity requires a classroom or institutional space. The manager also takes into consideration the good climate required for instruction. As classroom may not be required continuously, providing space which can be shared is a good alternative. Also, one other alternative is providing same room for classroom and seminar room. Classroom should contain a storage space for equipment and materials. If it is not provided it have to be provided on rental basis which would increase cost. Location and space is also important. A beautiful room in the basement, near the utility services, communicates that the management is not considering it as important. The head of the HRD unit prefers to have the office in a particular part of the building because it communicate to the rest of the organisation. The same communicates to HRD and location communicates a great deal about the status of a function of the organisation.

### 9.6.2 EQUIPMENT

In the modern times there are lot of visual and audiovisual aids in teachings and training candidates in a group. The procurement of the equipment reflects the learning philosophy of the HRD unit. The people in the HRD unit should be asked to make recommendation and be given the

from it.

### **9.7.2 EXTERNAL FACILITIES**

An external facility is one which cannot be controlled or operated by an organization, It is a facility available to the public and the head of HRD can negotiate and contract some of its programmes. These centers are organized by individual institute, universities and professional bodies. They may use their own infrastructure facilities or use, the facilities provided by the respective organizations.

Before giving contract to an external agency, the HRD head or staff should have in-depth and onsite visit and should know from the people who have used this facility. The HRD programme in times differ from one organization to another, so one should be careful in choosing. If they are going to provide the facilities, HRD head should discuss at length in making any commitment. Because the facility may reflect on HRD unit.

### **9.7.3 INTERNAL AND EXTERNAL FACILITIES**

In the previous section, we have discussed both internal and external facilities separately. At a time and depending on the programme it is possible to use both internal and external. This requires careful and well planned decision making involving all the HRD staff and concerned. If the HRD unit is self-content with infrastructure and facilities are not point, in going for an external agency. As in many other cases HRD programmes also expand and contract, and facilities may get update. Larger organisations prefer to go for a mix of internal and external. The decision concerning which facilities to use should be constantly reexamined.

## **9.8 FINANCIAL POLICIES**

Every organization whether it is big or small will have financial policies regarding its operations. For high cash flow operations such as purchasing and payroll. The policies will be specific. For other areas there may be fewer clearly stated policies and others go depending on the customs and conventions.

The financial policies are important and should be written in a statement form and kept in a manual. This should be done to each and every department or unit. There may be questions relating to the financial policies of each unit. How they were evolved, who has done that and so on. The field of HRD is constantly changing and altering with the organisations internal and external pressures.

The financial policies of HRD should be known to everybody in the organization. All the employees should know that it is not a perk or fringe benefit but direct cost to the organization and the organization expects something in return.

## **9.9 RECORD KEEPING**

The organization as well as each unit should have data relating to each and everything gathered from records, if they have to make financial management decisions.

The HRD units should have specific and clean records and they should not be cooked up. The HRD field itself suffers from lack of agreement on terminology and this is clearly reflected in the record keeping function. In many organizations HRD units and candidates are trained. These can be arrived on simple mathematical calculations. These can be related to total expenditure to arrive to an average cost per employee or average cost of learning hour. The HRD unit should make a distinction between training, education and development and give calculations, to show accurate data results.

Training is an expense. This is defined as an expenditure of financial resources with the intent of getting something directly in return. The manager if he authorises for supplies, he has to see them. Similarly when he authorises payroll, he expects some performance which will show a direct return to the unit and organization.

The results of training can be seen immediately on the job the individual has, it is an expense. As with any other expense the manager should expect to identify the return at this time.

### **9.10.2 EDUCATION**

Education consists of those learning experiences provided by the organization to prepare employees, for future positions.

Education is an investment. This is an expenditure of financial resources with the intent of getting a future return. As with most investments, there is a certain element of risk, since there are many events that may cause the investment risk to become a loss, or to give less than a full return. When the employee completes the education programme and is actually assigned a new job, may be changed or cancelled or becomes absolute or, the trainee may leave the organization and training becomes completely useless.

There is lot of risk involved in education and still the organization can take the risk. The head of the HRD should take risk' and if he does not take the risk the assumptions that he is not, doing the job for which the organization is compensating.

Education is a low risk investment. It is conducted assuming, that there will be an opening, and the manager is preparing an employee to fill the anticipated opening. At time it may be promotion yet the HRD should take the responsibility of providing needed education. It is a low risk investment because it prepares an employee for a defined but different job.

### **9.10.3 DEVELOPMENT**

Development is also an investment. But it differs from the others. In development the manager is providing a learning experience which is not directed towards a specific job, but in general direction the organization is going or planning to go. As there is no direct relation to a specific job, the direct and indirect return may be difficult to identify.

The development is a high risk and long range investment. As with any other investments, policies and controls are necessary. There should be limit on this type of programmes, development is a must for any growth oriented and successful organization.

## **9.11 COST SYSTEMS**

There is no proper way to obtain good cost data. There are no clear agreements regarding HRD as such it is not possible to provide cost data. The staff of HRD unit are not in a position to provide data required by the head of HRD unit. It is because they are not having clarity of mind regarding basic way to provide cost data.

### **9.11.1 COST BENEFIT COMPARISON**

This is a cost accounting approach which endeavour to couple the expense or investment with a direct return to the organization. It starts with by identifying exactly what the HRD activity costs, on a programme by programme basis. Every element, of cost involved is identified and listed. This may be easy, but it requires agreement on what the cost items are and keeping the data.

- (c) Cost of organisational : As above (b),  
climate development
- (d) Cost of learning : When employee is learning by trial & error method.

Evaluating the cost effectiveness process is one of the critical job of a HRD manager as amongst the variables, the invisible costs as referred above has variables which are influenced by structure of HRD organisation, behaviour of employees, organisational environment and various unforeseen situations. Hence for cost effectiveness, a careful study of variable must be done and suitable constants for above factors influencing the cost effectiveness must be suitably derived.

#### 9.11.4 COST CONTROLLING

The cost control system effectiveness lies on the feed back and monitoring the cost incurred as well as the budget allotted. There are basically three activities involved in the control process :

- i) Investments of the estimated cost and actual cost of performance.
- ii) Comparison of actual performance with planned performance and the establishment of any variance.
- iii) Initiating actions to cope with the observed deviations.

#### 9.12 SUMMARY

Without adequate physical and financial resources, HRD cannot function. Managers need to make decisions regarding how HRD is to be funded. The HRD function become fully accepted as an integral part of an organizations operating plan it must first be recognized as a function which makes a positive contribution to the success of the organization, within the cost limitations imposed on it. To achieve this goal, cost effectiveness must become a vital part of the design and development of the training plan and in turn, sound budgeting and control of costs must become a vital part of the design and development of the training plan and in turn, sound budgeting and control of costs must become a vital responsibility of the HRD head. The HRD can function only when there are adequate physical facilities. The HRD head should prepare the kind of physical resources required for the success of the HRD function.

In today's management style of mixed professionalism, the measurement is the weakest area and there are different schools of thought on the measuring procedures and the accuracy on the measurements. However the cost effectiveness and viability considerations cannot be over ruled and some formulation must b derived to measure the Route On Investment for Human Resource Development.

#### 9.13 SELF ASSESSMENT QUESTIONS

1. A sound budgeting and control of costs must become vital responsibility of the organization, head and staff - comment.
2. Explain the differences between cost center and profit center.
3. What are the basic facilities required for HRD function ?
4. What is human resource accounting ? Is it really helpful in anyway to HRD function.
5. Write about cost benefit comparison.

**LESSON -10 & 11****INSTRUCTIONAL STRATEGIES / TECHNOLOGY  
FOR HRD****10 & 11.0 Objective :**

After going through this lesson, you should be able to

- understand different concepts relating to Instruction Strategies for HRD.
- Know some commonly used strategies
- visualize the programmed instruction as a technology for HRD
- study the trends following for HRD Instruction
- Review the self directed learning
- Know the developing HRD strategies for employee competence

**STRUCTURE****10 & 11.1 Introduction****10 & 11.2 Some Concepts****10 & 11.2.1. Models****10 & 11.2.1. Curriculum****10 & 11.3 Some commonly used strategies****10 & 11.3.1 Group Learning****10 & 11.3.2 Individual Learning****10 & 11.4 Programmed Instruction****10 & 11.5 Trends****10 & 11.5.1 Behavioural Science****10 & 11.5.2 Organizational Development****10 & 11.5.3 Transactional Analysis****10 & 11.5.4 Assessment Centres****10 & 11.5.5 Behaviour Modeling****10 & 11.5.6 Self Directed Learning****10 & 11.6 Developing HRD Strategies for Competence****10 & 11.7 Summary****10 & 11.8 Self Assessment Questions**

## **10 & 11.9 Further Readings**

### **10 & 11.1 Introduction**

The field of learning is mainly theories. They are assumptions and they cannot be absolutely proven. They fulfill the objective of the learning situation. As in many sciences the terminology is confusing. The area is complex and includes many professionals from various disciplines. They brought some of their terminology with them. The manufacturers of hardware also introduced terms and names which are becoming common in learning field. The instructional strategies is one such term and describes how learning can organized and described.

There are many ways in selecting an appropriate strategy. One of them is knowledge of a learning theory and strategy to get good results. Another factor in taking a decision will be seen on the history and culture of the organization. In many organizations case executives are conducted outside the organization.

A third element is administrative decision making. The different department heads should be cooperative and assist the HRD department in releasing the trainee for a whole day or part of a day and this will influence the range of strategies available to the HRD people.

In this lesson the order is discussion some of the concepts of Instructional Technology for HRD and the concepts are associated with HRD and there will be some of the strategies are commonly used for implementation HRD function.

### **10 & 11.2 Some Concepts**

The instructional strategies can be looked in different angles, those are models, curriculum

#### **10 & 11.2.1. Models**

In HRD designing a learning experience there are many models of learning prevalent. The use of model is very important because it provides a road map which will be followed blindly to achieve the goal. The models are drawn in a diagram form rather than described. Some are very simple, with a few boxes, works and arrows. Others appear to be line wiring diagrams for TV sets and best understood by those with an engineering background. There are many existing models and it is better to create one depending on the situation and circumstances. The model should have assumptions about the learner and how people learn.

#### **10 & 11.2.2 Curriculum**

The term curriculum is most commonly used in academic field, but as may academic people are entering HRD area the term also entered into learning profession. In essence, the curriculum is the content and the sequence by which the learning is to take place. Some HRD

people also include the actual instructional strategies as part of the curricular, while others consider this as separate area.

The HRD manager should review the curriculum. The content should include what are specified and necessary for the job and reflexed in the objectives of the learning. The curriculum is very important and it needs scrutiny. Because sometimes they may contain unnecessary things which are not important for operations or are contract to policy. They might have entered into the curriculum because of improper understanding and communication gap.

In reviewing the curriculum also one should be cautious and know something of that specific curriculum. The curriculum should not be limited only to what the reviewer learned, or even to what he knows. Because there may have been many changes in process and technology. Reviewing can be a learning experience for a manager. The reviewer (HRD manager) can know what has changed and what is happening in the field.

## **10 & 11.3 Some Commonly Used Strategies**

As in many cases there is no one best strategy for all kinds of learning and all kind of learners. There is a mix with a range of possibilities. That is why it makes HRD difficult and challenging.

Many of the strategies require certain kinds of support in the way of facilities, equipment and materials. The learning can be either formal or non-formal . An planned instructional strategy and appropriate support are necessary for formal learning. That is like the class room and the paraphernalia necessary for such facility.

The non-formal learning also needs strategies and appropriate support. Non-formal is commonly found in 'on-the-job' training (OJT) and the most often provided by supervisor or somebody delegated by the supervisor to performing upto the standard. In many cases OJT is considered as simple and nothing but giving instruction. If there is the need for learning then whoever is conducting the experience should know how to instruct, and know what strategies are most appropriate for the situation. The HRD staff is an excellent resource for this. They can assist the supervisor his nominee in giving the appropriate training.

### **10 & 11.3.1 Group Learning**

The most prevalent form of group learning is the class room situation. The actual class room can be on the shop floor, a conference room, or a specially prepared area. They are all can be considered as classrooms. The one thing they should have in common is that they should look like a simple classroom. The furniture should be movable and the chairs of adult size. In the class room setting also it is possible to have a variety of large group situations. Lecture is still the most prevalent strategy despite all the research tells us that it is the least effective way to facilitate learning.



Small group technique are also used to make the learning more appropriate for the wide range of learners usually found in a group learning situation. Small groups are not necessarily T-groups. Small groups are used in many situations which have nothing to do with sensitivity work. In demonstrating a job performance for the whole class. The learners are divided into small groups so that can cross check with each other or what they observed and what they learned. This is only one use of small group. A frequent use is coupled with case studies and exercises. After the presentation of the material, the class is divided into small groups so that they can process the experience. Through checklists, instruction sheets and similar aids, the small groups engage in in-depth discussions of the instructor should take it serious and there should be objective, a clear task, and some form of feedback. It is a skill to design and use small group learning effectively.

### **10 & 11.3.2 Individual Learning**

Since the early 1960's there has been increased emphasis on providing for individual differences; that is, providing for individual learning. This is based on sound notion that not everybody needs to learn the same material and that not everybody learns the same way. These differences encourage us to seek new and improved ways for individual learning.

This strategy also allows for some, it not all, of the learning to take place at the job site. The mistake most often made is that it is a costly way to produce learning. Infact, it proves more costly in the development of appropriate materials, controls etc.

For a person to learn individually the objective and curriculum most relate to individuals performance. If the learner is to improve performance in working with others, the learning programme must have the possibility of interaction and practice with others. For learning which is not influenced by a need to interfere with other people, it is possible that individual learning can be more effective. It can allow the learner to set a personal learning pace, make his own mistakes and profit from direct feedback on performance.

### **10 & 11.4 Programmed Instruction**

Individual learning requires more mechanisms for direct feedback to the learner as to the quantity and quality of performance of the newly learned behavior. The major breakthrough in individuals learning occurred in the early 1960's with the development of programmed instruction (PI).

The two trainees in programmed instruction are the learner and the nature of the subject matter to be learned. Some learners need others around them they have high social needs and difficulty learning along. And there are also others who think themselves as a whole. Such learners have difficulty with the frame by frame approach of programmed instruction even if variation such as branching are used.

Some subject matters like attitudes does not fit with PI. There are programmes which purport to improve attitudes through PI, but as attitudes are acted out in relation to other people,

doubt has been expressed about PI programme dealing with attitudes. Also there is some question as to whether skills can really be learned through PI, though there has been some significant experience with the 'skill' of listening. The most common use of PI, is where knowledge must be learned, and the knowledge is started specifically and unequivocally. In such cases, where no variations is allowed PI can proved to be an important to be an important way to provide for individual learning.

From PI came machines, and then toward the end of the 1960's the coupling of PI with mediated learning, that is, learning which is made possible through the use of media (tape recorders, projectors, T.V., Video., etc.) rather than through the mediation of a live instructor. Various kinds of teaching machines (hardware) appeared on the market, but few survived more than few years, mostly due to the lack of adequate programmes for the machines.

The cost of producing the software is extremely high, and therefore is only warranted if there is a large market where the cost can be spread over many learners.

On a more sophisticated level, there are computer assisted instruction and computed manager instruction, both of which had brief period of use and then were used only in rare cases. With the advent of sampler programmes there is a possibility of using software of the CAI approach of learning.

There is an individual learning strategy which relies on an instructor mediated approach. This is commonly called as coaching. There are many variations of coaching, but it is probably one of the oldest and most commonly used individual learning strategies. In coaching, an experienced individual watches another perform and then gives advice, assistance, guidance etc., to improve performance. It sounds easy but is actually quite difficult. It requires that the coach set a climate of mutual respect so that the learner will be receptive. Being too critical can block learning, and not being critical enough can cause the learner to lose confidence in the coach.

The coach is required to be sensitive and observant. The instruction from the cash must be given at the point where they are needed, and this is sometimes when the learner is at the highest level of frustration. Good coaching is a valuable strategy for individual learning. Another label for the kind of coach is mentor.

There are situations when the coach is not a superior, older, or even more experienced individual. The matching of two individual at the same level who will work together and learn together. Time must be provided so that one individual can watch the other, and not be working, and then there must be time to provide the feedback essential to coaching.

## **10 & 11.5 Trends**

There are some movements, outside of the regular instructional strategy area, which managers should be aware of. Over the years, some of these will develop further and make a significant impact on the field of learning and on organizations.

### **10 & 11.5.1 Behavioural Science**

This term is still unclear and is viewed by some with suspicion. As originally used, it was intended to embrace a broad look at the field of human endeavors and not be limited to any one discipline. The exponent of behavioural science saw the learner as being composed of many elements, which suggested that learning should be approached on several levels.

The major impetus came out of the work of the National Training Laboratories and the sensitivity movement. To most people, even today behavioural science means to-groups, it should not. Behavioural science goes far beyond and one strategy, though some areas rely very heavily on experimental learning than on passive approaches.

Some newer trends in the behavioural sciences are worthy of mention, as they relate to instructional strategies. The earlier period placed heavy emphasis on the group, and on group learning. Newer approaches recognize that there is also a place for individual learning.

More emphasis is now placed on providing the learning as close to the point of use as possible. This has brought newer strategies right into the company and has spun off other approaches, notably organization development. The term 'Behavioural Science' is itself fading away. This may be due to history or developments. And it is not communicating as expected.

### **10 & 11.5.2 Organisational Development (OD)**

It is used to denote a wide variety of experience in the organization.

It denotes behaviour and in the organizational sense it means managing behavior in the organization. Another meaning is improving learning situation in the organization. Another meaning is improving learning situation in the organization assuming organization as a learning community. It is also meant to some as inter personal relations and improving them by knowing the performance of individuals in organizations

### **10 & 11.5.3 Transactional Analysis (TA)**

The transaction learning movement received its impetus when Eric Berne categorized relationships as being 'adult, 'child' or 'parent'. The purpose of TA was to find a way for psychiatrists and other therapists to communicate with their parents. The concept was made more clear with I am ok, you're ok.

TA has moved from therapy into instruction. The people with no particular emotional difficulties, and find easy to understand relationships with TA. It should not be used as a technique to control or manipulate others.

As instructional strategy, some elements of TA are helpful in understanding supervisory subordinate relationships. TA gives an insight to a supervisor about own behavior, as well as helping him to understand the behavior of his peers and subordinates. It also helps supervisor to understand his boss.

TA is a valuable instructional strategy is knowing customer relations or for those employees who have direct control with the public. TA helps an employee understand and respond with an appropriate approach to the individual and the situation. TA must be used carefully, and by quality and by qualified individuals.

#### 10 & 11.5.4 Assessment Centres

The history of the assessment centres, goes back to the end of the 1950's. There were attempts to select good employees through technique known as multiple role-playing, in which everybody in the group was involved. Then, in-basket was added to this. In basket is an exercises in decision making and handling the crises which are prevalent at various levels of management . Latter, it was realized that it was possible to predict performance before the person was placed on the job. In other words, future performance could be assessed.

As a selection tool the assessment centres have a sufficient history of success to be accepted. They have become more sophisticated and, usually special training is required to enable internal employees to handle an assessment center. There is a possibility to give it on contract to outside organizations who specialize in personnel selection techniques.

As a learning tool, its use is debatable, but many organizations use the assessment center to assess the learning needs of the participants. Of course there is a fundamental difference between this and the sort of assessment described above. Learning is a risky activity. If the learner is not prepared to try new behavior to identify his learning needs, the needs cannot be identified, and the purposed learning cannot take place.

Some assessment centres can identify learning needs. This means the situation has to be as close to reality as possible. Only when the participant is carefully controlled, and where the behaviours are measurable. It is possible to determine whether the participant can do the job or what might be needed to have him to the job.

To identify learning needs, there is one justification for assessment centres. As a learning strategy it is difficult to see how assessment centre can contribute to the process.

### **10 & 11.5.5 Behaviour Modeling**

These words, behavior modeling, have been used in so many contexts and it is difficult to use them to label only one kind of instructional strategy.

Behaviour modeling is based on the idea that we have spent too much time giving supervisors and managers theories about human behavior, which they had difficulty in translating into direct, on the job behavior. The basic assumption is that people in such positions must first be sure they know what the correct behavior is, considering the organization and its practices and policies. After that, it may be acceptable to delve into theories and concepts.

Behaviour modeling is accomplished through video presentations which have been carefully prepared. Then, the participant in the group try to emulate what they have seen. When they can do this they are given but similar situations, so that they can try out new behaviours in may situations as possible.

The behavior modeling approach does not deal with attitudes, but only with behavior. It says that the learner should learn the new behavior without having to explore his attitudes and even without additional knowledge. If the organization wants new behavior, there will be work on attitude and knowledge to reinforce the behavior, but first comes the new behavior.

The strategy in having some success but it is having criticism also. The critics say it produces not behavior but is useful only if the participant comes against same and exact situation he has practiced in the learning situation. Others point out that when a person becomes a supervisor or manager, he usually wants to know the “why” and not only the “how” .

### **10 & 11.5.6 Self –Directed Learning**

Self directed learning comes out of the work of Allen Tough, of Canada. His research showed that may learners assumed responsibility for their own learning, though they did not come near a classroom or an instructor in the traditional sense. Such learners feel the need to learn, and they seek out the appropriate resources to assist them in the learning.

This suggests that provisions should be made within the organization for such self directed learners. The HRD unit should be able to provide resources and support, and the managers should provide encouragement. The subordinates will look to managers for role models in this area of learning. Accordingly, the managers should be knowledgeable about this area and explore is utilization for themselves as well as for the subordinates.

### **10 & 11.6 Developing HRD Strategies for Competence**

As the above discussion makes it clear, some special skills are required for facilitating HRD. The professional knowledge and skills in HRD can be acquired in the following ways :

**10 & 11.6.1 Programmes of HRD and HRD Facilitation Skills**

Many institutions, professional bodies and consulting agencies are offering short-term courses on HRD. The Indian Institutes of Management the Centre for HRD of XLRI, Jamshedpur and a few schools of Management offer short duration (one week to one month) programmes on HRD. These programmes are of different categories. The basic programmes are meant for the beginners in HRD. Even Jine Managers could be sponsored for these programmes. There are advanced and experienced sharing programmes for HRD staff and HRD task force committee members. These programmes are not very regular ones and one has to keep looking for these. Among the professional bodies the National HRD Network and the Indian Society for Applied Behavioural Science are the only two bodies that offer exclusive HRD and OD facilitators laboratories. These programmes are offered normally in summer months. The diploma and certificate courses offered by NIPM and ISTD provide a wider knowledge base required by HRD specialists. The various reference books and study material provided in this course of IGNOU itself is a good introduction to the basics of HRD.

**10 & 11.6.2 Process Competencies**

Besides professional knowledge every HRD staff member or facilitator should have some process skills. By process skills is meant an understanding of human processes in organizations. These processes include inter-personal dynamics, personality and dynamics of individuals, organizational behavior processes, organizational health and the like. Such human process competencies can be acquired through specialized skill training. Such training is offered at present in our country only by two professional bodies, the Indian Society for Applied Behavioural Science (ISABS) and the Indian Society for Individual and Social Development (ISISD). These are offered in the form of Personal Growth Laboratories, Human Growth Laboratories, Explorations in Role and Identity, Basic Human Process Growth Laboratories, Explorations in Institution Building workshops etc. These bodies also develop process skills through their professional development programmes. The NTL Institute of Applied Behavioural Science in USA and the Tavistak Institute in London also offer similar programmes. Besides, some of the voluntary agencies keep conducting such labs for developing process competencies.

**10 & 11.6.3 Other Forms of Skill Development**

While attending training programmes is a good way to lay foundations for development, the best way to develop one's own self is by experimentation on the job and continuous review and reflection. HRD facilitators can develop themselves by trying out new ideas, networking with fellow professionals and getting to know their work, visiting other organizations and learning from their experiences, consulting being in touch with line managers and learning from them and so on. There is a good degree of literature available for an interested HRD facilitator (Rao, 1990) and these may be used for the development of one's professional preparation.

## **10 & 11.7 Summary**

This lesson had discussed some of the common approaches to learning. It is important to know that large ranges of learning strategies do exist. They are from simple classroom – lecture approach. The HRD unit can be a valuable resource in helping managers learn more about appropriate learning strategies.

The managers need not have any degree of expertise in either selecting or utilizing instructional strategies. They need to know what to look for, and what to ask for. As newer strategies appear, the manager should ask the HRD unit about the assumptions behind the strategy and about those areas in which it can be most helpful to the learner and the organization.

## **10 & 11.8 Self Assessment Questions**

1. Discuss the concept instructional strategy?
2. Explain the trends taking place in instructional strategies for HRD?
3. What are the various strategies available in instructing a trainee?

## **10 & 11.9 Further Readings**

1. Leonard Nadler, Corporate Human Resources Development, Van Nostarand Reinhold Co., ASTD, New York, 1980.
2. Craig Robert.L., Training and Development Hand Book, McGraw Hill Book Co., ASTD., New York, 1976.

**Dr. B. NAGARAJU**

## Lesson 12

# EVALUATING THE HRD EFFORT

## 12.0 OBJECTIVE

After going through this lesson, you should be able to

- understand the concept of Evaluation
- HRD Manager an HRD Evaluation
- know the elements of HRD Evaluation
- study the different steps involved in HRD Evaluation.

## Structure

- 12.1 Introduction
- 12.2 The Manager and Evaluation
- 12.3 The Concept of HRD Evaluation
- 12.4 Planning of Evaluation
- 12.5 Objectives of Evaluation
- 12.6 Evaluation Elements
  - 12.7.1 Data Gathering
  - 12.7.2 Analysis
  - 12.7.3 Feedback
- 12.7 The HRD Evaluation
  - 12.7.1 Evaluation
  - 12.7.2 Education
  - 12.7.3 Changes in Job Requirements
  - 12.7.4 Development
- 12.8 Summary
- 12.9 Self Assessment Questions
- 12.10 Further Readings

## 12.1 Introduction

At one time everybody used to take about evaluation but nobody does anything about it. At present there is reason not to evaluate learning experiences. The difficulty is that the word



evaluation covers such a large range of possibilities. The first thing evaluation is to separate from research. These are two different and distinct activities, each used for different purpose. If the same techniques are used for both, it becomes very easy to confuse them.

Evaluation is concerned with finding out what happened. Let us presume that a programme was activated so that learning would take place. Evaluation seems to answer the question "Did the learning take place?" Also, "does the learner now have the basis for producing the desired behavior?" and then "How do we know?".

Research is concerned with finding out why it happened. Research asks, if learning took place should be evaluated but not every learning experience needs to be research. Every HRD staff should have at least one person with skills in designing and conducting evaluation. Nadler in his Book "Corporate HRD" describes this lesson in the following way :

In this lesson, the author first provided an overview of manager's role in HRD evaluation. Then, the concept of evaluation, next strategic plan for evaluation has been discussed. Then described the objectives of evaluation. The authors is devoted the reminder to evaluation elements.

## **12.2 The Manager and Evaluation**

Managers need the data from evaluation in order to make decisions. Without evaluation, the manager may be repeating prior errors and wasting resources. Lack of information about accomplishment in the HRD function may encourage the manager to make incorrect decision or no decision.

What should be evaluated? Essentially; did the learning takes place? If it did, but there is no change in performance on the job, this gives the manager a clue. Additional learning will not probably make any further change in behavior, but there is something about the job which needs to be explored. The evaluation should be related to the objectives of the learning and managers should be involved in setting the objectives. Why was it successful? And "if it did not take place, why was it not successful?" This requires much more expertise and more sophisticated techniques than evaluation.

Some other differences are that evaluation starts with objectives and tries to determine if the objectives have been reached, while research starts with hypotheses which will be tested out; evaluation is always concerned with using the results while research can be conducted without any intent to use the results.

There is "evaluative-research". It is possible to mix the two, but they are not identical. One can lead to the other. An evaluation may disclose that the learning goals were not reached. Sometimes this can be easily determined. There are times when research calls for more intensive approaches, with control groups, and then we are into the area of research. The distinction needs for some very specific reasons.

Manager and organization may have to enter into unpleasant situations because of the results. But managers cannot avoid entering into this process.

The behavior of the HRD unit, in the area of evaluation is actually controlled by the Manager. If the manager ignores the evaluation results, the HRD unit cannot be expected to continue forwarding these data to him. The results of evaluation should be used to improve learning programme and not as a source or punishment. If the learner, or the HRD unit is given negative feedback, it is unlikely that either will be interested in participating in any evaluations.

The manager must first be prepared to receive the results, then he must study them and react, atleast in terms of having reviewed the results, whether they are good or bad. Then, action should be taken as appropriate. The results may be the basis for a meeting with the HRD unit. At first, the manager should be sure that the results are being communicated and that they are being understood. Then, through joint exploration, the manager and HRD unit should identify the appropriate actions for each. Even where no action appears indicated, a meeting to discuss the results is beneficial.

### **12.3 Concept of Evaluation**

There are many ways to evaluate. In this section, one model will be presented. By no means it is the only model but it will provide a basis for discussion of the process. When the manager talks with the HRD unit, a good place to start with the model the HRD people are using. If they have no model, then the manager has helped them identify a need within their own operation. Frequently, the HRD people do have a model but they have not put it on the paper. Rather, they assume that everybody knows what is included in evaluation, and such an assumption can lead to some significant distortions as to how various people perceive the evaluative function of the HRD unit. As a process evaluation follow these steps :

1. Determine the objective of the learning
2. Conduct the learning
3. Evaluate
  - a. Gather data
  - b. Analyse
  - c. Give feedback

We will look at each of these in more detail, but first let us take a broad look at the process

### **12.4 Planning for Evaluation**

Although evaluation cannot take place until the learning starts, and, in some situations until it ends, the planning for evaluation must take place during the design of the learning experience. Evaluation should be a part of the learning design and not something which is added afterwards. In designing how the evaluation will take place, and what will be evaluated, the planners – HRD unit and manager will be clarifying mutual responsibilities as well as design.

There are two points at which time evaluation take place for training. One is as part of the training programme, while the second is after the trainee has returned to the job. The purpose of evaluation during training is to influence the learning process while it is in process. Obviously, if we wait until the learning experience has been completed, and the learner is back on the job, there is little that can be done. The time to make the necessary corrections and modifications to reach the learning objectives is while the learner is in the learning situation.

A mid evaluation should not be planned unless there is willingness on the part of the HRD unit and the managers to make adjustments. This may call for a change in the objectives, as well as in the content and instructional strategies.

When using mid-evaluation, another element can enter the picture rather strongly, and that is the learner. At the outset of the learning experience, the learner may discover that some of what has been contained in the objectives can clearly be done. Here we are faced with both learning theory and managerial behavior.

If the learning theory subscribed to it that the learner goes into the programme and marches through it without any interference or change, then it is unlikely that a mid-evaluation is necessary.

In addition to improving the learning situation, mid-evaluation also communicates to the learner and the HRD unit that the manager is very concerned about the learning experience and is committed to helping make it successful. This overt behavior on the part of the manager can communicate a great deal and contribute to the success of the programme.

As part of the training programme, there should be a final evaluation. This is the more familiar kind, taking place at the end of the learning of the learning activity. It is not less significant than the mid-evaluation, but the processes and expectations are different. It is conducted at the completion of the training experience to determine if the learner has learned even before returning to the job.

An ethical dilemma can arise during this procedure. Whether the manager should be provided with the results of evaluation learner basis. There is no exact response to this ethical question – it all depends, if the programme was conducted internally and the manager made the resources available, he wants to know what he has received for his expenditure. If there is any question about this information being made available to the manager, that should be clarified at the outset. There may even be times when a manager would prefer not to incur the expense without having access to the information on how each learner ended up in the learning experience. When the learning has been conducted externally, this may present a problem. If the controller agrees to give the results of the learning programme then there will be no difficulty.

The second point is about the evaluation after the trainee is back on the job. Training is learning experience designed to improve performance on the existing job. The manager is usually interested in knowing whether the performance has actually improved or not. If it has, then the training was worth the expense. If it is not, it is not the fault of HRD people. There may

be other reasons why the learner cannot produce the expected performance and it may be more do with the manager, the supervisor, the job, the materials etc., then it has to do with the learning ability of the employee or the quality of the programme conducted by HRD people. If performance does not improve, the HRD people can identify the changes necessary to improve the performance.

A limitation is that once the learner returns to the job, the HRD people are out of the picture. By this the HRD people are prevented from conducting on the job evaluation and completing the process of learning and evaluation.

For education, there are likewise two points of evaluation, but much further apart in time. The first is much like in training, in that there can be formative and then a summative evaluation at the end of the education experience to determine if the learner has actually learned. It may not be possible to evaluate job performance until the employee actually moves to the new job. If this is still within your unit, the HRD people should be involved in the second evaluation. It will help in improving their education programmes in general, as well as in identifying any additional training needs once the employee is on the new job. If the employee is in a different unit, the HRD people may have to arrange for the evaluation through some interdepental channels. The manager who receives an educated employee, will make the employee and the job site available to the HRD people so that they can conduct to second point of evaluation.

For development, only one point of evaluation is possible, and this is a part of the learning experience. As the purpose, is not to improve performance directly on the job, it is not possible to implement the second point, and this time is not needed.

## **12.5 Objectives of Evaluation**

During the above discussion, there has been a constant reference to objectives. This is a word which has engendered much conflict, particularly since the early 1960's. It is not that objectives were not used before, there have always been some kind of objectives in any learning situation. It is impacted on the whole field, even in some of the humanistic programmes.

Objectives for learning programmes are important. They provide targets which allow for agreement among all concerned. If there is an intermediate supervisor involved, the objective should be reviewed at that level also. The learner should also know the objectives before the learning programmes begins. The HRD people are directly involved the frequently do the writing of the objectives, but they should not do this alone and should not involve manager in finalizing them.

The process of writing objectives is part of the learning experience, and HRD manager must be involved. If you do not understand any of the special words used, stop the action and ask for an explanation. The purpose of the objectives is to reach agreement on the learning situation, not to improve you with any special language.

Objectives are essential to evaluation. If there are no objectives, it is difficult to determine what needs to be evaluated. The evaluation should not go beyond the objectives. It is possible that during the learning experience and the formative evaluation, some of the objectives may need to be changed. This is a real possibility if the informative evaluation is to have any meaning. If so, you should be involved in any restatement of the original objectives. Those which are agreed upon at the outset of the programmes should not be made so confirming that is not possible for additional learning to take place. The objective should be the rock bottom of what must be learned, but they should not put a limitation on how much more can be learned.

Earlier, there was mention of “specified behavioural objectives”. There are many people who have been involved in this endeavour. Over the years, others have had much to say about this type of objectives. Generally, it is agreed that learning objectives should specify what learning is to take place and should avoid words such as understand to know, gain an appreciation of etc., These should be replaced by words which require some kind of observable action, such as identify list of demonstrations etc. These words should be capable of producing action which can be seen (observable) and preferable even be measured (quantifiable).

For some performance, observable and measurable action are fairly easy to define. Where the job is quantified in terms of output, papers processed, or something else which can be counted, the measurable is a good index and a basis for a specified objectives. Some jobs may only be observable, and these are usually those with some aspects of supervision or management. For example, how would you able to evaluate a change in your performance alter a learning programme? If there is some kind of observable behaviour, this should be specified in the learning objectives. If you can find some kind of measurable behavior, this is top should be specified.

## **12.6 Evaluation Elements**

There are many different models for evaluating learning programmes, the evaluation model presented assumes that there have been clear objectives. This has been followed by some action the learning programme. The application of the evaluation itself will take place, as discussed earlier either during the programme (formative) or at the end (summative). The planning for the evaluation should start before the programme.

### **12.6.1 Data Gathering**

In order to evaluate, it is necessary to have some kind of data which indicate what has taken place. There are many ways to do this, and the most common way is to use an instrument to gather data. This can be a questionnaire, a structured interview, or a checklist. It is not easy to construct such instrument, but the HRD people should be able to do this and verify it with the manager. The instrument should be directly related to the needs.

One form of instrument is the test. There is mixed feeling about this instrument for adults, particularly those who have been out of the school. Some people are not bothered about a test and it is difficult to understand it those people who find a tortuous experience.

Even highly schooled individuals may find that the mere mention of a test evokes a physical response, including moist palms, increased heart beat. For such people a test is unlikely to produce a positive result and can reflect incorrectly upon the whole learning experience. This should not mean that there should not be an evaluation, but it is necessary to construct some other kind of data gathering instrument.

Where the learning experience is intended to produce a change in job performance, it may be desirable to gather data that is related to the actual job. For production workers and others who are in quantifiable situations this may not be too difficult where there are service workers or managers, job performance may be more difficult for data gathering.

*The data gathering should be focused on two elements* : learning and performance. The learning aspect can be determined at the end of learning experience. The performance aspect cannot really be determined until the employee has returned to the job. There are those who try to determine performance at the end of the learning experience, before returning to the job. This is done by simulation and other artificial means. If there are alternatives, as with pilot programmes or other cases where the risk is great, then it is essential to use performance tests at the end of the learning. Recognize, however, that the learner must still face the prospect of 'transfer of learning', or being able to take the learning directly to where it will be used. There can be a loss during this transfer which makes it urgent that there be data gathering at two points, if at all possible at the end of the learning and on the job.

One of the ways to gather data is to utilize a 'pre' and 'post' measure. The performance of the potential learner is measured before the learning begins. This is helpful in identifying learning needs and setting objectives. It also provides a basis for comparison. After the learning situation, a similar data gathering process occurs and then it is possible to identify the change that has taken place as a result of the learning. The difficulty with this approach is the necessity for assuming that the 'pre' and 'post' data gathering are comparable. They must be absolutely free of any bias, or the data will reflect something other than the learning situation. Developing such data gathering mechanisms must usually be left to the professionals, probably the people in the HRD unit.

### **12.6.2 Analysis**

After the appropriate data has been gathered, it is necessary to do some analysis and this must be watched very carefully. The form of the analysis should be directly related to the feedback process in the organization. Each organization should have a feedback process. It might consist of formal reports, informal discussions or reports at staff meetings. The feedback may be charts or narrative.

It serves a good deal of time, energy and resources if the preferences are decided early indicating what you want, and what form it should take.

### 12.6.3 Feed Back

This brings us to the most important element of the evaluation.

**A. Process** : Who will use the evaluation, and for what purpose? There are many different audiences and those doing the evaluation should have identified their probable audience before conducting the evaluation. The probable audience that would receive the feedback on the learning programme are :

**i. Programme Developers** : Those who designed programme, can improve the design of future programme. In some cases it may be possible to actually reads while the programme is still in existence.

**ii. Facilitators of Learning** : Those who actually conduct the learning experience can learn a great deal from the evaluation. If they are regular full-time instructors, the feedback of the evaluation can help in the present programme. It can certainly help them to improve their performance in future programmes.

**iii. The Learners**: A properly done evaluation can assist the learner in understanding what happened during the learning experience. It can be of benefit in aiding the learners to understand something of their own learning, their general behavior, and how it all relates to the learning objectives and the conduct of the programme.

**iv. The Manager** : He is the sponsor who sent the people to the programme. He even uses his resources to enable the programme to happen. He should know whether the resources are effectively utilized and the learning objectives have been met.

**v. Future Learners** : Others who might be going into the same programme, at a later date, might benefit from knowing the results of earlier evaluation. These should not be used to compare one group of leaders with another – unless that was the specific purpose of the evaluation.

The feedback should be given to right people in time. The right information given at the wrong time can be useless and even damaging. A specific data should be agreed upon as to when the feedback material will be provided and in what form. If the material arrives too long after the completion of the programme, it can be historical and nothing else.

The feedback process should be in two parts. The first is receipt of the report. Then there should be a face-to-face meeting with the HRD people and others who might be involved in the outcome of the learning. The main outcome of such a meeting should be to provide a basis for decision –making about future HRD activities.

## 12.7 The HRD Concept

The HRD concept can be linked together with the whole picture and process of evaluation.

### 12.7.1 Evaluation

**Training :** As training is job related, a training experience should be evaluated in terms of changes in job performance. Where the performance is quantifiable and the objective of the training experience was to increase production or productivity, there should be a measurable change in the output from the job. To accomplish this evaluation, there must be the benchmark data. If the data is not available, it is not possible to measure any change attributable to the training programme.

There is a preliminary evaluation possible and that is to determine if the learner has learned. This can be accomplished during, as well as at the end of the training. That is not sufficient, however as the reason for the training was not the learning, but the application of the learning to the actual job situation. Thus it is essential to do some evaluation after the trainee has returned to the job.

The on-the-job evaluation may not have to be accomplished by the HRD people. It is possible that it can be done by examining production records or other data sources which relate to the objectives of the training. Of course if the HRD people are not involved in this process, they can lose valuable guide book on the results of the training.

The HRD manager should see that the supervisor cooperate in this process. The supervisor should see the training as a direct help to them in improving job performance. They should also see the evaluation as being helpful in determining whether or not the training has produced results.

At times the trainees learning may be threatening or undesirable. This can happen even when the supervisor has been part of the process of designing the training and approving the release of employees for training. It happens all too frequently when safety training is involved and the new safety procedures which have been learned go counter to existing practice.

There are many cases in which the training was successful, as measured by evaluation in the classroom setting, but was a failure as measured by job performance. There are numerous factors which can contribute to this discrepancy. If a discrepancy does show up, don't start blaming the training. Instead first examine the reasons, why there may have been a loss during transfer of training.

Some learners function very well in the protected environment of the classroom, but have difficulty applying the learning outside the situation. It is not that haven't learned; they simply need help in making the transfer. It may require some additional support and even instruction by the supervisor. Perhaps the supervisor needs training in how to help employees bridge the gap.

In the learning situation, the trainee may have been receiving some valuable support from peers which was lacking in the job situation. Sometimes encouragement and appreciation is required from the supervisor.



When performance is not measurable, it is still important for evaluation to take place on the jobs. The data will probably be more incidental than statistical, but could be equally important. The evaluation should relate to the previously agreed upon and reports that relate to the evaluation.

### 12.7.2 Education

As education is related to preparing an individual to perform on a different job, it must be evaluated differently. It will be the same as for training, in that first evaluation needed is, did the learner learn? This can be measured at the conclusion of the learning experience. Most difficult is the second phase of the evaluation on the job. There are factors which make this much more difficult than the evaluation of training.

a. **Time lag** : There will be most likely some time between the completion of the learning programme and placement on the new job. This can vary from one week to about a year. If education is provided with the intent that the learner will be placed immediately upon completion of the programme, evaluation is easier to accomplish provision should be made for the employee to make some adjustment to the new environment before evaluation takes place, or the evaluator feels as if he is evaluating job adjustment rather than the results of the education.

If the education is provided too far in advance of the placement, then it is reasonable to expect fade-out or the loss of learning due to lack of use. With no reinforcement, most new learning disappears after a period of time, and sometimes it is a short period of time. For example try to learning a new language and not using for a year will almost be like the learning had never taken place. Assuming there is a reasonable period of time, the second evaluation should take place on the job and this can present problems.

b. **New Supervisor** : When the learner was sent to the education experience, it was while working for a different supervisors or managers. The new supervisor must be brought into the picture by being informed about the objectives of the education the employee received. Where possible, for education the prospective new supervisor should have been included when the objectives were being determined. Unfortunately, this is not too common a practice.

The new supervisor may also feel that the evaluation is of the supervisor and not of the learner. The whole process must be handled very delicately. It requires a good deal of support from the manager, if the supervisor is to assist in the evaluation.

### 12.7.3 Changes in Job Requirements

As there is a time lag between the original development of the education programme and the final placement of the learner on the new job, it is quite possible that unforeseen changes have taken place. The most obvious is that there may be new equipment or different processes than utilized in the education programme.

If the job is clerical, sales, administrative, etc., there may have been changes in regulations, laws, policies on personnel. All these factors could impact on the job for which the employee was being prepared. Therefore, the evaluation can show that learning took place but the learning may no longer be relevant to the new job. This is even more important when there is a time lag between the end of the learning and the placement. The personnel records may show that the employee completed the required learning programme, but may not indicate there had been significant changes in the job itself.

An evaluation on the job, after placement, may not be an indication of an inadequacy in the education programme as much as the need for some immediate training.

#### **12.7.4 Development**

In the absence of job related uses as defined earlier, development is much more difficult to evaluate. To avoid all the parties concerned should agree beforehand, on just what is going to be evaluated and when.

The most obvious point of evaluation is at the end of the learning experience. Even development should have objectives, so it is possible to determine if the learning took place. What cannot be evaluated is how the learning changed present or future job performance, as that is not the purpose of development. If an evaluation is done which indicated that job performance change was expected, it perverts the purpose of development making it training or education, but only after the fact.

This, once again, indicates why development is offered so infrequently and unevenly. No direct job performance behavior is normally included in a development learning experience, therefore, there should not be any such evaluation.

### **12.8 Summary**

Evaluation is important and necessary. Without evaluation, the manager does not have the basis for making decisions about HRD programmes in the future as well as in the present. The evaluation process starts before the learning actually begins, and continues after the learning ends. It is a process which involves more than just the HRD people and should be carefully coordinated with needs and priorities of the manager.

### **12.9 Self Assessment Questions**

1. Explain the role of manager in HRD evaluation?
2. Give an account of the objectives of HRD evaluation?
3. What are the various elements of HRD evaluation? Explain

## **12.10 Further Readings**

1. Leonard Nadler, Corporate Human Resource Development, Van Nostarand Reinhold Co., ASTD, New York, 1980.
2. Craig Robert, L., Training and Development Handbook, McGraw Hill Book Co., ASTD, New York, 1976.

**Dr. B. NAGARAJU**

## Lesson 13

# HRD PRACTICES IN INDIA

## 13.0 OBJECTIVE

After going through this lesson, you should be able to

- A comparative study of HRD Practices
- Know the HRD Practices in Public and Private Sector Organizations
- Understand the focus of HRD Practices in India
- Know the application of Instructional technology in your organization

## Structure

- 13.1 Introduction
- 13.2 HRD Practices in L & T
- 13.3 Major HRD Initiatives in SAIL
- 13.4 HRD at C-DOT
- 13.5 HRD for Workmen at Eicher Motors
- 13.6 HRD at Crompton Greaves LTD.
- 13.7 HRD Experiences in S.B.I.
- 13.8 Summary
- 13.9 Self Assessment Questions
- 13.10 Further Readings

## 13.1 Introduction

Human Resource Development is like a flower in bloom to be experienced and difficult to describe. Behind performance are individual and behind results are people. HRD has been widely accepted as one of the most effective tools for overall development of the organization. Now in India most of the developing organization have either opened a separate HRD department or in the process of opening it.

To give a feel of the actual practice and demonstration of HRD in organizations the author has taken up actual cases of several public and private sector organizations. Written by executives of these organizations. In this lesson six organizations are covered out of which three each are from private and public sectors.

Integrated HRD systems were first introduced in India in Larsen and Toubro Ltd., followed by other organizations. Steel Authority Of India Ltd., has used HRD as a tool for its turnaround strategy and had tremendous success. C-DOT has used HRD to achieve excellent. In this lesson the cases of Eicher Motors, State Bank of India and Crompton Greaves Ltd., are also discussed. All these cases deal with different aspects of HRD practices in different organizations.

### **13.2 HRD in LARSEN AND TOUBRO LIMITED (C.M. SRIVASTAVA)**

Larsen and Toubro Limited is probably the first organization in India to introduce an integrated HRD System and to set a separate Human Resources Development, headed by a senior executive to implement the system. The whole exercise of looking into the human Resources System was mainly due to the culture of excellence, introspection and openness in the company. Constructive criticism and periodical reviews are common to ensure maximum mileage from a system or an operation.

The Performance Appraisal System existing in 1974 which was of a confidential nature and a one-way affair was not considered effective. The assessment s were not discussed and in many causes very little use was made of the data generated from the appraisals. Therefore L&T Management requested Dr. Udai Pareek and Dr. T.V. Rao of the Indian Institute of Management, Ahmedabad, to conduct a study on the Performance Appraisal System with the following objectives.

- a. to review the objectives of the appraisal system existing at that time and to examine the extent to which the data collected contributed to these objectives
- b. to prepare characteristics of a good appraisal system in L&T.
- c. to examine the feasibility of adopting these characteristics
- d. to examine the reactions of the persons who use the appraisal forms – both subordinates and superiors
- e. to determine the consequential actions to be taken in the light of improvement needs and for the implementation of a new system, if evolved.
- f. to determine the skills required for making the system effective and operations (i.e., feed counseling, etc.) and the manner of building and developing such skills

#### **13.2.1 The Integrated HRD System**

The IIMA team presented a report not only on Performance Appraisal but on other interrelated sub-systems and included the following :

1. Performance Appraisal
2. Potential Appraisal
3. Employee Counselling
4. Career Development
5. Training
6. Organisation Development (OD).

The professors further recommended that the system be implemented 'in toto' to obtain the synergic benefits. It was proposed to implement the various sub-systems in a phased manner, over a period of five to seven years.

### **13.2.2 Implementation**

The implementation was entrusted to a task force of senior executives and started with the induction of a new Performance Appraisal System in 1975. Although the original framework of the integrated HRD system has remained the same, the details have been modified from time to time as per the feedback received and experienced gained. The question of gaining the maximum mileage from the system has been the uppermost in the mind.

### **13.2.3 Performance Appraisal and Feedback**

Performance Appraisal has always a dual approach viz., Evaluation Approach and Development Approach. One without the other makes the appraisal ineffective. However the relative emphasis can be different. It was felt that the Performance Appraisal will have a heavy leaning towards the development of the employees and the evaluation to a greater degree can be taken care of by the Potential Appraisal System. It was also assumed that the relationship between the superior and the subordinates is very crucial for the development. The essentials of the new Performance Appraisal System are :

a. Performance Appraisal is shifted to a line responsibility rather than a personnel function activity. b. It calls for goal setting by appraiser and appraisee together. c. It requires appraisal interviews and counseling and feedback in an interaction session with openness. The immediate superior is required to enter his rating at that time of the interview.

Before introducing the new appraisal system a number of training programmes were conducted for explaining the system as well as for providing skills for receiving and giving feedback which is one of the most important aspects of the system. The progress of implementation was constantly monitored through feedbacks and studies and the difficulties faced were removed. As a result of this the form and the system has been considerably simplified. Around 80 to 85 percent of the forms are received within six weeks after the target date which is an acceptable level considering the time required for counseling

The forms are analysed and data submitted to the Vice-Presidents and General Managers. The data give the rating of 'higher performers' and persons rates low. Another set of data give the facilitating and hindering factors group wise. These are used for finalizing development and other action plans.

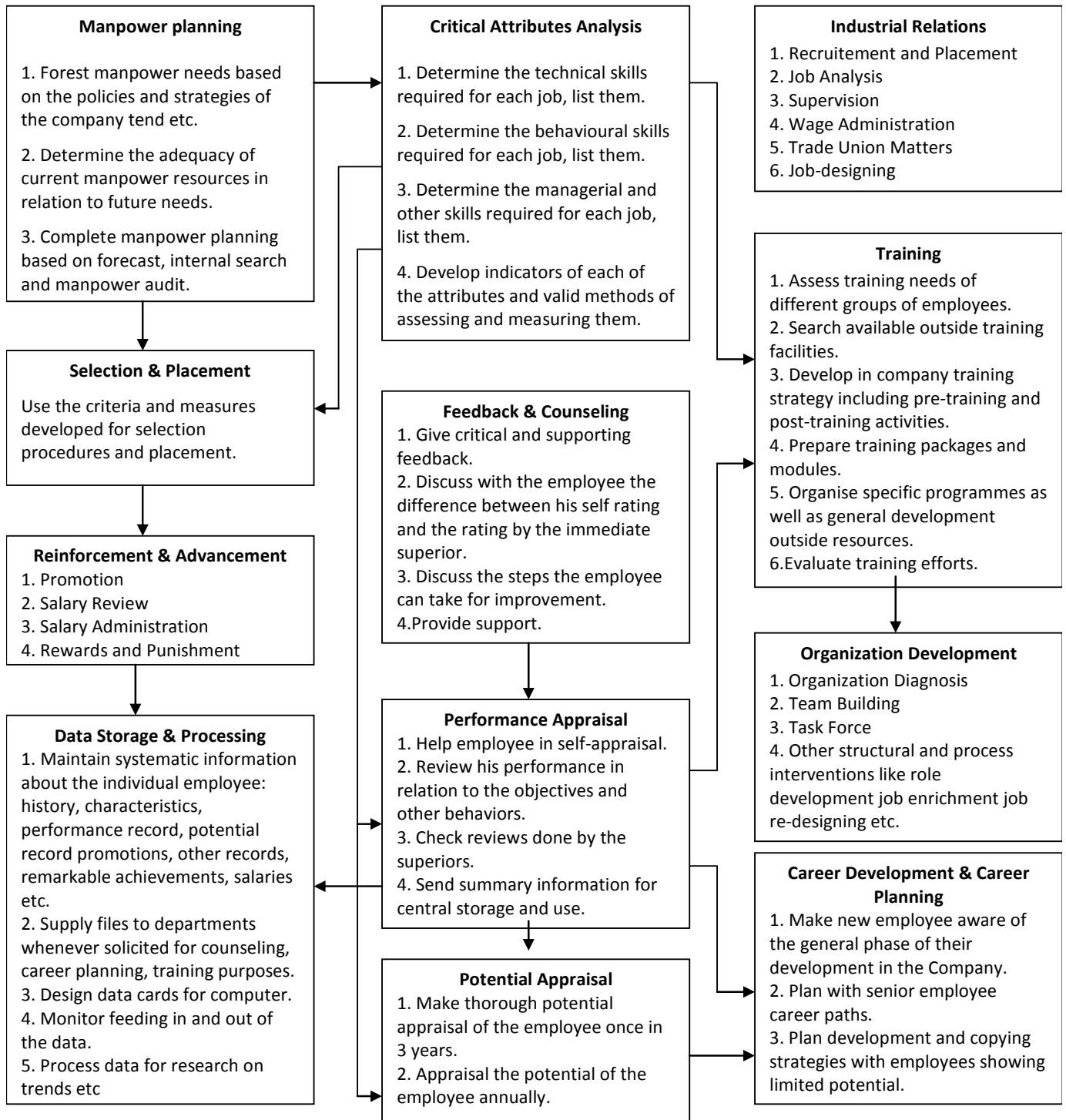
**13.2.4 Difficulties faced or expressed**

Some of the difficulties faced or expressed by people at various stages while implementing the system were :

- i. Complicated rating system
- ii. Time consuming
- iii. Too many routings
- iv. Delays due to number of persons reporting being too many
- v. becoming a number game
- vi. Low leadership commitments.

To counter the above, the rating system and the forms were simplified and the routings were restricted to the immediate and next superior. The numerical ratings were replaced by qualitative ratings like 'Excellent', 'Very Good', 'Good', etc., An open ended self appraisal was introduced and its was made mandatory to send the appraisal forms before sending the recommendations for awards.

Training : One of the most important HRD activities in L & T its Training Programmes. Even the top executives attend the programmes, especially designed for them. The main purpose of training is to provide opportunities and resources for :

**Annexure:****A Schematic Representation of Human Resources Development System in Larsen & Toubro Limited**



- i. Improving performance on the present job.
- ii . Developing Behavioural and Managerial Skills.
- iii. Functioning effectively as an individual.

These are provided through :

- a. Suitably designed in Company Training Programmes
- b. Deputations to External Programmes

Company Training Programmes based on the following :

- i. Training needs specified by the immediate superiors and senior managers.
- ii. Desirability of disseminating recent developments in management concepts and practices, and
- iii. Availability of new programmes conducted by foreign experts visiting India.

During the last three years on an average 86 training programmes were conducted and about 2400 persons attend every year.

L&T has excellent in-house training facilities including well-equipped classrooms, library, films and other audio-visual aids. The training programmes aim at developing technical, managerial, human and conceptual competencies. A variety of training methods like role plays, case discussions, instrumented feedback and simulation exercises are used in these programmes. Both line managers and outside experts are invited to teach. Post training follow-up activities are also conducted by the HRD Department.

As a first step it was felt necessary to work out detailed job descriptions. From this data, critical attributes were worked out. Three taskforces were formed and they interviewed members in four functions. Production, Marketing, Services and Industrial Engineering. Typical Job descriptions were written and a master list of Critical Attributes with definitions was prepared.

### **13.2.5 Personal Skills Inventory**

Personal Skills Inventory System is a data system which records the skills and competencies acquired by a person before or during the employment. This is updated continuously. Basically it records the following: i. Basic Personal Data ii. Language Skills iii. Membership of Professional bodies iv. Education v. Areas of Work Experience / Skills / Knowledge and vi. Interests and Significant Achievements

The basic purpose of the inventory is to help an internal search for candidates. The Critical Attributes and skills can be matched and likely candidates short listed for a vacancy.

### **13.2.6 Potential Appraisal**

L&T is still in the process of developing the potential appraisal system. The basic ground work for an Assessment Centre Approach has been done. After the pilot run, we will be ready to implement it on a wider scale.

### **13.2.7 Career Development**

Attempts were made to draw career paths for some positions by collecting actual data regarding the career progression of some of the managers. Likewise alternative paths were also drawn based on the opinions of these managers. But these paths were generally based on the existing job descriptions and were not likely to include future potentials.

For this reason an alternative approach known as Self Assessment and Feedback Approach (SAFE) is sought to be tried out.

- i. A Systematic approach towards self –assessment
- ii. Greater understanding of the pattern and themes of life,
- iii. Appropriate data to negotiate and constructively confront superiors, peers and subordinates,
- iv. Setting short-term and long-term objectives for personal growth and executive effectiveness
- v. Preparing for next major career decision.

The participants can thus seek their careers themselves instead of following the fixed paths by knowing their strengths and weaknesses and the opportunities available in the Company.

### **13.2.8 Organisation Development (OD)**

OD activities were being undertaken by L&T on a selective basis, even before the integrated HRD system was introduced. However OD interventions were mostly limited to instrumented feedback and laboratory method of training. In the late sixties and early seventies Grid Programmes were conducted. In the subsequent year a number of other OD exercises were undertaken to develop teams, inter-team collaboration, openness and such other process competencies i.e, T uses both internal teams and external consultants in their OD work.

## **13.3 HRD Initiatives in Sail (M.R.R. Nair)**

The previous decade has seen a tremendous change in the Iron and Steel Industries all over the world. The global scene has been characterized by declining demand as part of the general slowdown of economic activity in the conventional group of industries, and fierce competition within industries and across continents. Companies have evolved different strategies to meet this situation.

- i. Reduction in capacity
- ii. Reduction in manpower and control over manpower costs.
- iii. Diversification
- iv. Investment in modernization
- v. Strict Quality and Cost Control.
- vi. Protection of domestic industry and relatively more active role of governments to help their own industries and save jobs.

In this melee, Industries such as the US Steel Industry, found that the capital needed to catch up with the rest of the world was much more than what the market was willing to put up, or what they could generate from their own internal resources.

In India, the situation is slightly different. The market is growing, and in fact, it is expected that demand will double by the turn of the century. The essential strategy was to remove constraints and increase production to meet the growing demand as well as to improve quality and cost performance. To do this, the Company must improve utilization from existing assets and also invest in modernization of its equipment. Here again the organization must stabilize its performance and structure to receive the sophisticated technology as well as to generate the internal resources for funding the modernization effort. This business strategy for SAIL has been summed up in Annexure-1. In this strategy, the HRD initiatives have a significant role to play in terms of :

- i. Improvement in work culture as a prerequisite for improvements in other areas and to tune up the organization for modernization
- ii. Rationalization of organization and of manpower along with increase in production, capacity, and investment in new technology
- iii. Training and Development effort attendant upon technological changes to upgrade skill and managerial ability.

### **13.3.1 The Approach**

How did we go about it? The turnaround strategy was initiated about two years ago. In the first phase an organized attempt was made to collect feedback from the various sections of industry spread out in every part of the country. Meetings were organized in all sectors of the industry with the top management, with the unit managements with a cross-section of the middle management, front line supervisors, workmen on the shop floor, unions and associations. The process took almost five months. In all the discussions the agenda was to identify the problems in the Company, opinions and perceptions of people, how they felt that the Company was doing and what could be done internally to further improve the operations.

Out of this tremendous amount of feedback, which was all carefully documented, a certain message began to filter out. And this was the message which the Company used to its advantage to design its strategy.

### 13.3.2 Priorities for Action

On the basis of the discussions and the feedback collected, a document was drafted which was called "Priorities for Action". This document set forth the thrust areas in which the industry needed to devote itself to improve its operations and prepare itself for the challenges of the future. There areas were :

- i. improve work culture
- ii. Optimize use of installed facilities
- iii. Increase productivity
- iv. Generate profits through control of costs and
- v. customer satisfaction

As stated, the "Priorities for Action" were structured to meet specific problem areas within the organization and at the same time to highlight the possible solutions.

**i. Improve Work Culture :** The focus here was on team work, communication, discipline and operating consistency. It was established that unless we improved the work culture in the organization in terms of the commitment and motivation of people and their capacity / willingness to work together, we would never be able to fully exploit the strengths of the organization in terms of technology and trained manpower. Even where there were technological problems on the surface, a deeper analysis showed the better performances were possible through a more effective man management. It emphasized the crucial role of effective two way communication with the need to explain to people the changes and their role in it. The document also spoke about the importance of team work in a continuous process multi-functional organization, and how the lack of it can effect the productivity of the organization. The "Priorities for Action" spoke of better organizational discipline in terms of absenteeism, overtime and that this, along with high absenteeism was an impediment to organizational discipline. Similarly, delays in shift changeover resulted in loss of production and wastage of energy.

**ii. Making Optimum use of Installed Facilities :** The "Priorities for Action" took note of this endemic problem. Where facilities had been created, they were not fully utilized. To meet market requirements, it was essential to achieve optimum utilization of capacity. This involved better maintenance planning and upkeep of equipment and better use of captive resources such the Mines and Mechanical shops. Higher capacity utilization was essential not only to reduce per unit costs but also to meet the challenges of growing market.

**iii. Increasing Productivity :** Higher volume of production must be supported by higher standards in terms of cost and quality, and increasing the returns on capital, material and manpower. Techno-economic performances needed to be upgraded to international levels. In this direction, areas which needed attention were

1. Quality of raw material, most of which, except coal is from captive sources. Modernization of mines for beneficiation of ore and better blending were highlighted.

2. Adherence to technological discipline not only cost saving in areas of energy utilization and yield but also prevent damage to equipment
3. Process control for quality enhancement
4. Integration of R & D efforts for technology enhancement and
5. Improvement in productivity through improved performance of the employees.

**iv. Generating Profits through Control of Cost :** The focus here was the urgent need to enhance internal resource generation by better management . The organization needed funds for the modernization of its technology and for this we needed better control over energy and inventory. There was stress on value engineering for cost control and better implementation of projects. The document discussed the effect of project overruns on the profitability of the company and the need to develop cost consciousness as a culture in the organization.

**v. Providing Better Customer Service :** The “Priorities for Action” rejected the complacency created by a sellers market and looked for a greater market orientation in the operations of the company. It spoke of our responsibility for generation steel demand, providing committed delivery schedules to enable the customer to plan his own operations. This needed better product quality and considerable development effort into the stockyards to enable a high level of efficiency in production through distribution.

### **13.3.3 Priorities for Action and the Turnaround Strategy**

The “Priorities for Action” helped to drive home certain essential point : i. The steel Industry urgently needed to modernize its technology to face the challenges of the future

- ii. Modernisation meant generation internal resources to buy technology
- iii. this meant that the internal operations of the company must be upgraded to international levels of cost and quality
- iv. This level of operations would primarily come from building a productive corporate culture.
- v. improvements would essentially come from better management of Human Resources, their skill, motivation and commitment.

Therefore the current strategy is to tune up the organization and prepare it for playing a qualitatively different role in future, to improve the productivity and motivation of employees, to remove imbalances to improve the structure and culture of the organization and its capacity to respond to the requirement of the market.

In essence, this is the process in which the company has been engaged over the last few years. A lot has been done, a lot remains to be done and there are some successes to encourage us along the way.

Manpower was first curtailed and is now being gradually reduced despite the fact new assets have got commissioned during the period. Taking into account the manning requirements for new assets there has been a substantial net saving in manpower since 31-03-85. A new Voluntary Retirement Scheme has been introduced and has attracted 3000 employees in the first nine months of its operation. Rationalisation in manpower has resulted in a greater flexibility of deployment. During 1985-86. Over 4000 employees were redeployed and in 1986-87 another 27000 have been deployed. This has been supported by multi-skill, multi-equipment training. The Alloy Steels Plants enhanced its capacity by 260 percent and met the entire manning requirement through redeployment.

**i. Recruitment :** In recruitment, the focus has been to cut down the lead time and improve the quality of the intake. A number of decisions have been taken to strengthen recruitment and improve the quality of Management Trainees. The bond has been removed and the training period revamped. With these steps the quality of graduates selected in the Company has improved. The response from Campus has been good.

**ii. Training and Development :** In the effort to improve the internal efficiency of the Company Training and Development has a very crucial role to play and the Training and Development Organisation is being geared to playing this role effectively. The 1986-87 training plan envisaged a coverage of 10485 Executives and 19140 non –executives in various development, skill enhancement and technological upgradation programmes. The extent as fulfillment of the plan has been near total. In the technological upgradation and redeployment training, the plans have been linked to the commissioning schedules of new assets.

A reassessment has been made of the effectiveness of training in the light of the challenges for the future. A Training and Development Approach Plan has been drawn up. The Approach Plan basically talks in terms of the needs of the organization in terms of its programmes and policies as well as the Organization and Structure of Training Activity in the Company.

**iii. Communication :** Communication system, both formal and informal have been strengthened. In many areas Briefing Groups have been set up to brief employees about major policy issues. Shift meetings are being encouraged. The accept is on two-way communication. In fact, in a large and complex organization like SAIL the effectiveness of the communication system has been a singular success. Employees understand the changes, the reasons, what the company is trying to do, and on account of this understanding have participated in the process. In fact, opening up the organization and a sound communication system was found to be a prerequisite to the process of planned change.

Incentive schemes have been revised to increase their motivational value. Suggestion schemes are being revamped and there is a move to study specific problems of employees on the workspot with the intention of finding micro-level solutions.

**iv. Organisation :** The Organisation is being restructured and the number of hierarchical levels reduced. Earlier, a study was conducted by the Industrial Engg. Departments which showed that below the GM level, only five levels were required in an operating steel plant as against the existing eight. Accordingly, we are in the process of reducing the levels. The implementation is currently on and will be completed shortly.

**v. Organisational Discipline :** There have been significant improvements in absenteeism in all units and in all Major Departments Shift changeover delays have been reduced from key departments and time offices relocated. Grievance and Welfare Systems have received attention and there are improvements in all these areas. Bipartite Systems have been strengthened and the full participation of all sections of employees /unions and associations obtained to the changes being made. There has been a drastic reduction in overtime. In 1984-85 the company was paying Rs. 44.38 crores as OT, in 1985-86 this came down to Rs. 40.00 crores and in 1986-87 it has fallen to Rs. 2.49 crores. In Bhilai, IISCO, Salem, R& B, CMO and Corporate Office, overtime in 1986-87 was nil.

The focus has shifted from apparent industrial peace at the cost of productivity (through avoidance of conflict) to a positive management of conflict. Many of the successes have been possible on account of the involvement of people at all levels. An effective change strategy consistently adopted by the Company in all its programmes has been to talk to people, obtain their participations and their more ahead. SAIL has a strong bipartite base and an extensive network of bipartite forums. This has helped in the management of employee relations.

**vi. Appraisal System :** One of the first HRD initiatives in the Company was the amendment of the Appraisal System for Executives. Initially, the exercise began as a move to amend the promotion policy to make it totally performance oriented. Gradually, it was realized that the Promotion Policy would not be so changed without having an adequate / acceptable instrument for measurement of performance. This was an important step in the attempt to improve the work culture by convincing employees that their career growth was linked with the performance of the Company.

The second part of the system was the reporting of performance. The reporting is done on the basis of 14 assessment factors. Each factor has been weighted to indicate its relative importance in the overall assessment.

**a. Performance Factors**

- i. Quality of output    ii. Quantity of output    iii. Cost Control    iv. Job knowledge & skill

**b. Managerial Ability factors**

- i. Planning and Organising    ii. Initiative    iii. Team Spirit    iv. Commitment and  
sense of responsibility    v. Communication    vi. Training & Development of subordinates  
vii. Problem analysis & decision – making    viii. Management of human resources  
ix. Lateral Coordination    x. Discipline.

Total (A+B)

The finalization of the assessment factors was a time consuming affair. In a large multi-functional organization to short list factors applicable to a large body of 18,000 officers and at the same time relevant for the company was a difficult job. There is of course no scientific method for doing this. The 14 factors and their respective weightages represent a consensus across the organization about what is considered important.

#### **13.3.4 The HRD Department**

In the light of the initiatives being taken by the Company, there is a qualitative change in the expectation from the Human Resource Group. Not only are they expected to improve their own contribution in the existing areas, but also to come forward and function as catalysts of change in building team work, motivation and productive work culture. So within the department itself, there was need to clarify issued and ensure that everyone was on the same wave length in terms of the expectations from the Company. There are ever 800 Officers in the personnel and Training Departments in the various plants / units. It was from this Group that the Company expected a leadership role in better than management. All these officers were collected in eight one day workshops at Ranchi where the "Perspectives for Human resource Management " in SAIL were discussed. For convenience, the group felt that the contribution expected from them could be bifurcated into the following areas i. Motivation, Communication and team building. ii. Manpower planning and recruitment iii. Employees services and employee relation. iv. Training and Development.

In each of these areas key result areas have been highlighted and , in the units, responsibilities fixed. In these workshops, the organization of the HRD Department itself was reviewed. It was agreed that the organization needed strengthening in areas. Based on these discussions, a revised organizational structure for the Human Resources Department has been drawn up.

The revised organization seeks to establish the following : i. Strength of the shop floor Personnel Officer's since it is here that the initiatives will get implemented ii. Bifurcation of the day to day activities from the Planning and Development areas. iii. Integration of training and development.

The HRD workshops have had a good effect. In some Units feedback has been taken from Line Managers who have appreciated the qualitatively changed role which the Department is playing.

**Qualitative Changes :** Over the past few years the Company has implemented number of initiatives in the area of HRD. The "Priorities of Action" and the Appraisal System are two successful examples. There have been many more which have been briefly mentioned. Today, the Company is still in the middle of the process of change. However, in such a large company, changes have not been uniform in all sectors. Each unit has its own specific culture and response pattern. The effort has been to retain the valuable components of the local culture and build upon it the realization that this is one company. Over the past few years there have been encouraging qualitative changes in the attitudes of employees. 1. There is a greater awareness among officers, workers and associations 2. Communication process is more effective. 3. There is considerable clarity about goals and objectives 4. Employees have begun to think positively about the Company 5. There is higher appreciation that this is one company.



There is a good ground swell developing and some ground for confidence about the future.

### **13.4 HRD at C-DOT**

C-DOT was conceived at a time when India was planning for 21<sup>st</sup> Century. Management at C-DOT was aimed towards setting a trend in India for R&D management with focus on Human Resources for achievement of time bound missions. With an orientation towards mission oriented projects and creation of a unique work environment, C-DOT has been more of a Human Resource Management challenge than a technical; challenge, HRD at C-DOT, therefore, had to act as catalytic agents towards greater synergetic effect, so that staff members (we prefer to call ourselves “staff members” of C-DOT family) with individual brilliance and limitations could be brought together to complete each other to yield the best result.

The focus of Human Resource Management at C-DOT is to create a work environment and culture conducive to achievement of excellence. The main emphasis of the Human Resource Management philosophy is on developing the organization its people and their competencies.

#### **13.4.1 An Environment for Excellence**

Besides a good technical team, the time bound project at C-DOT, to deliver a family of Digital Switching System in 36 months, at an estimated expenditure of Rs. 35 crores, required administrative procedure and programmes to mobilize and motivate young talent.

It requires considerable planning to induct a large group of young Engineers (around 300 average age 26 years) in a very short span of time (less than 1 year). To begin with, new personnel policies were formulated, jobs were advertised for and interviews conducted. Based on an objective selection criteria, key candidates were selected for challenging assignments. Once they were taken at C-DOT, the HRD group was responsible for their orientation, training, facilities, work environment and well being.

Simultaneously, new policies were to be formulated and introduced in almost all areas. Needless to say that the work load during this time bound programme was such that staff productivity got ultimate priority. Rules had to be framed to encourage efficiency, creativity, innovation and initiative. Some of these area people sensitivity, time and target sensitivity, flexibility and procedures, effective communication, office automation, delegation and monitoring are outlined in the following selections. It is hoped that an overview of these guidelines will provide further understanding of C-DOT work culture and environment that it has created to develop indigenous high technology base.

- i. People Sensitivity
- ii. Time and Target Sensitivity
- iii. Flexibility in Procedures
- iv. Effective Communication
- v. Office Automation
- vi. Delegation and Monitoring
- vii. A Passion for Excellence
- viii. Working Groups

The representatives discussed the above issues at length with the staff members and submitted their report with recommendations. The recommendations of the Working Group were debated upon by the top management and accordingly the policies were renewed. While the working group on HRD defines the major concept, philosophies and activities of HRD at C-DOT, the most important role for HRD effectiveness is played by the Group Leaders who are the main implementors.

#### **13.4.2. Implementors**

Group leaders of different functional groups are the key people in implementing any HRD policy. As per the C-DOT philosophy of HRD, the group leader is the immediate Manager who monitors the activities and is responsible for the well being of the staff members in their group. They identify the development input requirement and recommend job rotation / new exposure in respect of the staff members. Group leaders can also sponsor members of the group for external training programmes / conferences within allotted group budget.

#### **13.4.3 The HRD Group**

The HRD Group is the nerve centre that develops policies and carries out activities related to

- I. Development Inputs
- II. Performance Appraisal
- III. Career Development
- IV. Personnel Research
- V. Welfare.

#### **13.4.4 Development Inputs**

Development input is considered an important activity at C-DOT. It is felt that development intensity is highly related to organizational excellence. At C-DOT it is used as a tool to increase efficiency as a means of instilling organization values and information to all staff members. So it starts from the very beginning. The staff members on joining C-DOT undergoes an induction training and orientation so that he /she should be introduced into the organization and feels comfortable about the job and the individuals with whom he / she will be interacting. The orientation breaks in the staff member to the unique norms and culture of C-DOT. The orientation is followed by an exhaustive two week technical training programme for the technical staff. Beyond the formal induction training again the group leaders take care of complete induction to C-DOT of a new staff in their respective groups.

#### **13.4.5 Performance Appraisal**

The underlying philosophy of the Performance Appraisal Scheme is objective assessment of performance on a continuous basis which can be openly shared with the concerned staff member. The basis objectives of the system are :

- i. Assessment of Performance
- ii. Assignment Review
- iii. Individual development need identification
- iv. Feedback and follow- up of Development
- v. Determine career growth
- vi. Influence job rotation
- vii. Extension or termination of contract
- viii. Granting rewards Appreciation / Foreign deputation

ix. Determining Organization Structure

The scheme is part of the overall Project Review System that periodically reviews group / product wise performance and achievement of targets against what is outlined in the Annual Business Plan.

Before finalization of C-DOT Annual Business Plan, all Group Leaders have discussions with various group members about the role of the group, assignments to be completed during the next year and major milestones with completion dates. Each staff member is given assignments which form the basis of the Annual Business Plan. Before the start of the appraisal period the responsibilities are clearly assigned along with the time frame. On a weekly basis, the assignments are reviewed and recorded in the weekly review sheets. Periodic reviews and timely feedback are the key issues in the appraisal scheme.

As the end of the six months the staff member completes the self appraisal from highlighting his / her achievements / contributions during the period and external factors affecting performance. Parallely, the immediate appraiser completes the appraisal from filling in the strengths and weaknesses and tentative rating on the ten attributes defined. Next the immediate appraiser calls the staff member for mutual discussion. This discussion has to be guided towards a feedback and counseling session. After this the form is sent to the second level appraiser for his rating. The second level appraiser can add any broader dimension to the overall appraisal through comparison across the smaller groups or by eliminating any perceived bias. If this rating differs from first level rating then the reason for the difference of opinion should be documented and the changed rating communicated to the staff member. Then it is sent to HRD for the processing. At each level the staff members are consulted and kept informed to try and ensure fairness and elimination of bias.

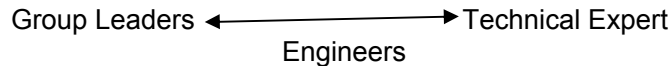
Appraisals at C-DOT are not only means of evaluation by the process has a very important role to contribute towards organization effectiveness. Instead of using the appraisal process merely as a control or monitoring measure the focus is more on its developmental dimensions.

#### **13.4.6 Career Development**

Ultimately it is management's responsibility to develop and implement a cost effective career planning programme. It is essential to create a basic structure and process for integrating individual needs with organizational requirements. The basic philosophy of the career development plan is that growth opportunities are to be given to all staff members whether they be engineers, secretaries or admn, support. To formulate a policy on Career Development, firstly a Career Plan survey covering all levels was conducted. The survey covered issues like avenues for growth and career path at C-DOT in specific functions, comprehensive career development plan, new activities / opportunities for career development etc.

The promotion policy outlines the growth prospects of staff members of various categories and the minimum period to be spent in the scale and eligibility points required. Career paths and growth opportunities are totally linked with the performance appraisal. High potential employees are identified early in their careers and placed in an accelerated development programme. Since the organization has a flat structure, options in terms of levels are not many and hence other alternative avenues for growth are given importance. E.g.,

Engineers could grow to Group Leaders (managerial potential) or alternatively to Technical Experts (professional excellence)



Besides vertical movement in the organization, the option of horizontal movement inter/intragroup is also available. Job rotation to other groups to gain new exposure and insight in areas of interest is also encouraged. However, the perceived ability of the individual to handle new assignments forms an input in the decision making process.

New projects that C-Dot is getting involved in, are opening up opportunities of staff members to new areas of learning and experience. Also C-DOT encourages its staff members to proceed on full time study leave, work for C-DOT licensees and other public / private sector organization or became entrepreneurs but continue to retain links with C-DOT having option to join back at their discretion career development, thus at C-DOT is observing in a broader outlook apart from mere financial growth.

#### **13.4.7 Personnel Research**

Audit and Research form important instruments for closer feel of what is happening around and what needs to be done. Opinion surveys, attitude surveys, case studies and task force deliberations present very useful data for analysis and basis for management decision. A number of such surveys have been conducted and actions taken thereof, but lot more needs to be done on this HRD activity at C-DOT. We would like to prepare cases for industry and academic institutes on specific areas like project monitoring, manpower planning, office automation, organization structure systems and strategies at C-DOT which could help the experts to conceptualize and model on C-DOT's experience.

#### **13.4.8 Welfare**

To promote the feeling of oneness and togetherness in the C-DOT family, the welfare activity is given a lot of weightage by the C-DOT management. Frequent get-together, sports tournaments picnics and cultural events etc. are organized for staff members and their families.

Also to encourage the spirit of adventure in staff members, events like trekking, outings are periodically organized. Wider groups involvement in availing "Weekend Relaxation" or "Holiday Home" facility are encouraged. Every year on Annual Day (the day C-DOT was formed) is celebrated with the whole C-DOT family (from Delhi and Bangalore) joining together to commemorate the day with a lot of enthusiasm and vigour. All these functions reinforce the HRD commitment to promoting participation and team work.

### **13.5 HRD for Workmen at Eicher Motors – An Experience (P.K. Kapse & A.K. Arora)**

Eicher Goodearth Limited was formed on 3<sup>rd</sup> September, 1960 with a small capital investment of Rs. 19 lacs and rolled out its first tractor at Faridabad in the same year. This was

the first tractor to be manufactured in India. Today Eicher is a multi unit group employing more than 3,400 people and having 5 plants situated at Alwar, Faridabad, Parwanoo and Pithampur across 4 states. The latest addition to the group is Eicher Motors Limited (EML) which has its manufacturing base at Pithampur near Indore where Light Commercial Vehicles (LCVs) are manufactured in technical and financial collaboration with Mitsubishi Motors Corporation (MMC), the largest commercial vehicle manufacturer of Japan.

Eicher Motors Limited (EML) : Eicher Motors Limited is a Public Limited Company with a total envisaged project of Rs. 41.5 crores (present outlay of over Rs. 16 crores) and licensed to manufacture 12,000 vehicles per annum. The plant commenced operations in June 1986. Ever since, the employee strength has grown from 185 to 480 till date and at present it is geared to manufacture 500 “Canter” per month.

### **13.5.1 Background to HRD for Workmen at Eicher**

Our philosophy has always been to continuously and openly examine issues related to our Human Resources. This has resulted in generally harmonious Industrial Relations which draw strength from the following principles.

1. Fair and firm approach to all human related issues without compromising on basic principles or the long term interests of the company. This means being fair to the management, the union and the employees.
2. Recognising and Rewarding merit / contribution
3. Payment of fair wages to all employees and arriving at compensation packages for workers by the process of collective bargaining.
4. Participative approach to resolution of all worker related issues.
5. An open door policy where workers are allowed to air grievances /views / concerns on all matters relating to them or the Company.
6. Non-Interference in the internal functioning of the workers union.
7. To resolve all worker related issues bilaterally without interference of outsiders. Workers are encouraged to have a strong and internal union.

Given these basic principles, let us now take a look at some of the lessons learnt by us in the decade immediately preceding the setting up of the LCV Plant.

### **13.5.2 Learning's from Tractors Operations**

Tractor operations witnessed phenomenal growth during the period 1974 – 81. From an annual turnover of Rs. 3 crores, volumes increased to Rs. 80 crores and we became a leader in the industry. Two new plants were set up and employee strength increased from 400 to 3000. There was a feeling of well being and morale was at its peak.

All of a sudden, in 1982, we got a rude snock. Due to credit squeeze announced by RBI, tractor financing was abruptly reduced. The market crashed from 81000 tractors in 1981 to 63000 tractors!. At a time when we were gearing up for providing 2500 tractors per month (from 1250 per month), we were forced to cut production. For the first time in a decade, we experienced negative growth and a marginal loss in 1982-83. The market continued to remain

sluggish for the next few years and in spite of RBI relaxing its norms, the recessionary trends could not be reversed.

### **13.5.3 EML Objectives**

It was our aim that our new plant should be a model one which could give inspiration to our existing plants to strive for excellence. We therefore wanted to set new standards in 1. Productivity 2. Quality 3. Discipline and 4 Development of people

In order to achieve these, an in depth analysis was done and it was decided to focus on the following factors (not mentioned in the order of merit) which were expected to create the desired work culture.

### **13.5.4 A New Dimension**

At the time of setting these objectives it was felt that in a new plant, establishing a new work culture would be comparatively easy.

However, the situation dramatically changed when the tractor operations were rationalized and surplus manpower was made available which, had to be accommodated. The LCV operations at Pithampur offered an excellent opportunity to absorb this surplus. The task became more challenging when about 60 workers were actually transferred and at one time constituted more than 50% of the workforce.

To the above objectives was added another objective to “Absorb and integrate the transferred employees into the new work culture”. This was a very major challenge because the workers were accustomed to working in an environment where production volumes and higher productivity were linked to incentive earnings. The LCV operations did not have any incentive scheme and yet the productivity targets were comparatively much higher and hence the challenge.

### **13.5.5 HRD Interventions**

In order to achieve the results defined above, EML has used a combination of various HRD techniques and some of the Japanese concepts in the production systems. We would here like to share our experience in using these tools. The attempt below is to share the techniques and concepts used without evaluating their contribution individually to the overall R climate.

Training : “GIVE A MAN FISH, HE WILL EAT IT. TRAIN A MAN TO FISH, HE WILL FEED HIS FAMILY.

The technique of training has been a key factor and a major tool used to achieve the objectives of HRD. Right from the day of project planning, our collaborators had emphasized on formal training for all personnel involved in the operations of the plant. Thus training was top most of the agenda.

Therefore even before commencing the manufacturing operations a training school was set with comprehensive facilities to train all categories of personnel including dealers, staff and technicians.

Given below are some of the efforts made towards training of personnel :

- a. Japanese Exposure
- b. Induction Training
- c. Development Training
- d. Making People 'Feel" responsible
- e. Versatility Building & OJT

### 13.5.6 Participation

Towards the objective of developing a satisfied high potential workforce, it is essential to involve workers in activities which will provide them opportunities to use and polish all their skills, knowledge, Imagination and Intelligence in translating his ideas into reality. EML systems provide them as uninhibited environment where the individual talent can blossom. This has brought about a sense of pride, achievement and determination amongst the workforce to be highly productive both in terms of company objectives like productivity, quality etc., and individuals' aspirations of self-development and growth. Let us look at some of such systems effectively implement d at EML

a. **Productivity Improvement** : At EML all preparations in terms of establishing production lines are done with close involvement of workers. Sequence of operations called 'operation standards' are drawn up and improved by workers in consultation with supervisors. The work study time standards are laid down by total participation of workers through a unique system called "Fundoshi Analysis". In this process workers write down exactly what they do on production lines (called Fundoshi). Time is clocked by supervisor for each activity. Subsequently, the Fundoshi is analysed to cut down the unnecessary activities in group of line workers and supervisors. This is an ongoing process on all production lines resulting in improved productivity and high work force morale as the task is completed voluntarily without imposition from a third party.

b. **Quality Improvement** : The Quality of the product is ensured by total involvement of workers. Periodically meetings are organized where line supervisors, workers & QC inspectors all sit down together to discuss quality related problems and their possible solutions. The solutions are found and action plans are worked out for implementation by workers themselves. This collective approach to quality gives excellent help in reviewing the problems from all angles and enhances team spirit.

On similar lines meetings are held to discuss matters relating to safety, house keeping etc.

c. **Kalzan** : This concept has been borrowed from the Japanese, and implemented at EML because it believes in the theory that all workers have creative potential which can be tapped and also this would satisfy the creative instinct of the workers. In other words it means

that the workers job should give them scope to use all their knowledge, imagination and Intelligence in transforming their ideas into realities.

A guideline to this is provided by the following :

Muri, Mura and Muda are the biggest enemies on any production shopfloor and they keep appearing in the day to day routine in various forms and disguises.

Muri means overstrain which can come from physical or mental strain.

Mura means inconsistency or fluctuations of any nature. It can be fluctuations in work content, time, type, production volume or quality, in behavior or discipline etc. Though extremely difficult to notice, 'Mura' perhaps affects a company's performance the most adversely.

Muda means waste of any kind in terms of material, time money, effort etc.

The above three bugs, if present, contribute to inefficiency and increased costs of operations and wherever these are present there is scope for Kaizen.

Members of a Kaizen group, while working on any line are on a constant look out for MURI, MURA, & MUDA. Once any problem is identified, a Kaizen meeting of the concerned line is organized at the end of the day's work. In this forum, the problem is analysed, opinions of all group members are sought and discussed, a solution for the problem is evolved through consensus and action plan for implementation is drawn up. Thereafter the Kaizen group takes necessary action to implement the solution.

### **13.5.7 The future Challenges**

Though a lot of effort has been made and some targets achieved there is no room for complacency in the field of HRD. This realization is strong amongst the management team of EML and we feel that we need to work even harder. To our mind the future challenges lie in the following areas :

- i. The workers have apparently accepted the appraisal and reward system based on merit but attitude survey has revealed that there is still scope for improvement in its implementation by making it more data-based.
- ii. The promotion policy, though tentatively formulated has not been tested out thoroughly yet (the plant being only 2 Y2 years old). Therefore it needs to be discussed with various levels in depth and improved.
- iii. To develop mature trade union leadership, we need to organize special training programmes for this purpose as is none by other Eicher units
- iv. Absorb and integrate the transferred employees into the new work culture



This to our mind is an ongoing exercise as newer and newer workers get transferred to Pithampur. Our experience at Pithampur with transferred employees has been highly successful and most of them have performed extremely well under the new working conditions. In fact the same workers who for years were working less than 6 hours a day are willingly (without any incentive scheme) working 7 1/2 hours a day in the new location.

### **3.6 Potential Development through in – Basket Exercise : Crompton Greaves Experience – Susan Varughese)**

Identifying its mission as Electrical Energy, Crompton Greaves has been in the business of transmission and distribution of power for the last 5 decades. Since 1984 this mission has been redefined to include Electronics. The Company has decentralized set up with 5 major groups of Profit centres, with 14 profit centres and several new projects in Telecommunication and Electronics, in the process of divisionalisation. It is supported by a large Sales network, Regional and International. The Company's manufacturing operations are in Bombay, Nasik and Ahmednagar. Company's turnover for the year ended 30<sup>th</sup> June 1987 is Rs. 280 crores. It has a manpower strength of 8,800 persons. Its major products include Transformers and Reactors upto 400 KV, switchgear, Motor Control Gear, Electric Motors upto 6,000 KW, fans, Lamps and Luminaries, colour and black and white TVs.

#### **13.6.1 HRD System**

Introduction of the formal HRD System in the Company began in the year 1983 with title assistance of Dr. Udai Pareek and Dr. TV Rao of the Indian Institute of Management, Ahmedabad. The thrust was initiated by creation of a formal Taskforce, headed by the then Executive Vice President and today's Managing Director. The Taskforce, in its inaugural meeting identified 3 concerns, Role Analysis, Performance Appraisal System and System and Counselling as areas needing immediate attention in the Company.

#### **13.6.2 Role Analysis**

Role Analysis was identified as an intervention for purposes of role clarity and performance appraisal. Using the Role Analysis technique; with the role set of boss, subordinate, peer and role incumbent, a beginning was made with the Divisional and Regional General Manager roles and that of their teams on specimen basis. These roles were discussed by role incumbents and their bosses and finalized by HRD Taskforce. Thereafter, the MD met each of the functional groups for a day each to complete the finalization and begin the process of implementation.

Effort is how on to extend this further to the next level i.e., the Executive Cadre. Their roles are in the process of finalization. Our analysis so far has covered 500 executive. Effort are also under way to analyse the Junior Officer Roles covering a population of 800 persons. Our intention is to percolate it even further to supervisory levels.

### **13.6.3 Performance Appraisal System**

Performance Appraisal System in the Company emphasized reward administration as its primary objective with no linkages to goals or review and feedback. With the intention of re-designing the performance appraisal System, an internal sub-committee was constituted for an internal survey. Based on the recommendations for the Internal Sub- Committee, the HRD Task Force approved a development oriented performance Appraisal System that is linked to Role Analysis

The system begins with goal setting between the boss and subordinates, at the start of the year, against the Key Performance Areas evolved through sale analysis, self appraisal at the end of appraisal term, performance analysis in terms of factors which have helped or hindered performance, and appraisal interview with the boss followed by counseling. The dimensions included for assessment are performance against agreed objectives, leadership and team building at departmental head levels, contribution to team spirit at all levels, risk taking and creative contribution of risk taking and venturism. Critical Attributes are assessed for purposes of training needs

In preparation for the development oriented system, counseling programmes are being held to impart skills for counseling. The new performance Appraisal System has been introduced at the level of the Department Heads and is being reviewed this year for possible changes. Introduction at other levels is subject to completion of Role Analysis.

### **13.6.4 In-Basket**

Top Management selections and appointments have been a matter of concern with us. Our decisions are based largely on Performance Appraisal. Our MD wondered if there are approaches we can use to improve the predictability of our selection. We, at Human resources, felt the present system put too high an emphasis on performance appraisal. We tried to collect the potential assessment in addition to performance appraisal but they were essentially extrapolations of performance appraisal ratings. MD concerned with performance building in the organization was also concerned about the quality of people who were to manage the profit centres and regions. He suggested that we develop recommend approaches for selection to this cadre. We decided to develop an In-Basket Exercise on the advice of Dr. TV Rao. In-Basket, is a simulation exercise which enables assessment of capabilities of potential candidates to discharge the responsibility of concerned position as shown on a set of pending mail related to that position. We decided to experiment with one such exercise. The level we identified was General Manager, Division and General Manager, Region.

Participants did not receive individual feedback, however, in addition to the group feedback. The group sharing or responses would have enabled them to analyse where their responses stood vis-à-vis Vice President's responses, best responses of the group and MD's responses.

Possible learning for the participants through this exercise were as follows : 1. Transcending their functional bias in response and in assuming a General Manager perspective 2. Management of time both in terms of productivity as well as allocation on the basis of exigencies of managerial situations. For instance, one of the decisions on IB issue was not to proceed to Ahmedabad for the programme, but stay on as the situation called for it. 3. Buck Stops here, it was possible to assess how many would view this part of the General Manager responsibility. Some would not confront the issues but allow the memo to travel up and down. 4. Problem Diagnosis for decisions making –correct responses depended on correct identification. For instance a case on quality was read as an issue on pricing keeping aside the long-term impact on company image and customer service. Similarly repercussions of decision on other elements in the organization. 5. Bias for action – Decisiveness for action vis-à-vis a tendency to postpone or ask for more data. 6. Data based decisions vs intuitive decision – making. 7. Decision –making by precedent vis-à-vis creative responses. 8. Reality, orientation of the respondents. Some responses reflected only the suggested facts. Some others would proceed on assumptions not implicit in the memo. 9. Conceptual capability ability to apply concepts or evolve new framework of ideas a role that subordinates often seek if only for affirmation of their own ideas. 10. Long-term vs short-term acumen while taking decisions 11. Confrontation and risk taking in decisions vs a continuous precedent based decision 12. Entrepreneur flair vis-à-vis bureaucratic responses. 13. Optimisation orientation, a role which is becoming very important in organizations today 14. Commercial acumen

#### **Using In-Basket for Potential Appraisal and Development**

- I. In-Basket exercise has potential to make manifest what is latent quite remarkably. As a simulation exercise it is a powerful tool, to simulate reality.
- II. It excites an individual to test his capability to meet simulated challenge-like a brain teaser as was demonstrated in our organization. People identify with the exercise quite easily. I have yet to encounter an ambivalent or critical remark about the exercise.
- III. It offers scope for focusing on entirely of a role in terms of its various dimensions. It is possible to cover many situations calling for a variety of critical attributes. I would like to consider it superior to other simulation exercises in this respect.
- IV. It tests an individual's application orientation as it calls for decisions to real situations. It, therefore, offers an organization opportunity to test a capability rather than knowledge alone.
- V. As a developmental tool the learning is immense. One has the opportunity of feedback on the decisions he has taken directly or indirectly as in our case. Apart from the feedback on his responses the learning is also from the responses of the superiors to the same situation. Of course the possibility extending this further by personal interview of participants on the process of decision –making or the why of decision taken exists.
- VI. It is an opportunity for peer appraisal especially if one is viewing a General Manager's role. Performance assessment does not give one a relative ranking of candidates, especially when they occupy different functional roles.
- VII. In-Basket can be made very specific indeed. In our case we identified various critical attributes and looked for responses to this. It is also amenable to being organization

specific or culture specific. It therefore, offers possibilities for a great deal of adaptation to situational needs.

- VIII. Techniques like In-Basket, however, depend entirely on the commitment of top management to such a system to make it succeed. Experimentation with a new approach involves an element of risk taking and visibility of such commitment usually builds conviction as well as a shared commitment.

### **13.7 HRD Experiences in the State Bank of India – (T.P. Raman)**

The State Bank of India, which was nationalized in 1955, had 400 branches and around 10,000 employees at that point of time. Structurally, the 3 local Head Officers that were then there, were found to be adequate from administration and management points of view. The nationalization of the SBI in 1955 was the 'first wave'. The 'Second Wave' was in 1972 when the Bank underwent a major structural change –more Local Head Offices were opened between 1955 – 1972, to take care of the rapid expansion, Regional Managers were appointed to look after specific areas and regions, concept of business / market segmentation was introduced and finally – probably the most important one, was regarding the introduction of a system for Business and Performance Planning. It can, therefore, be seen that the 'second wave' in its wake ushered in significant changes in structure and approaches.

The 'third wave' came in 1979 – 80 when the Bank introduced further structural changes. The concept of a 'Modular' Structure emerged and the controlling points were shifted to the business centres and there was geographic dispersal of administrative units. There were quite a few, systematic changes as well. At that point of time, the SBI had a network of over 5,500 branches and 11 Local Head Offices, and the manpower strength was around 1,50,000.

#### **13.7.1 The HRD Philosophy of State Bank of India**

"HRD in State Bank is a continuous process, movement and direction to enable every individual as a member of an effective team and the State Bank Community, to realize and activate his potential so as to contribute to the achievement of the Bank's goals and derive satisfaction therefrom'

The main HRD aims and objectives are :1. To create a climate of openness, trust. 2. To build a collaborative culture –whereby everyone is an important member of an effective team. 3. To promote human capabilities and competencies in the organization. 4. To bring about integration of the individual and organizational goals. 5. To improve quality of life.

A HRD system was then designed to fulfil the basic philosophies and aims. In brief, the main components of the Bank's HRD system are : 1. A Manpower Planning System incorporating the quantitative and qualitative models – data based techniques etc. 2. A Performance Appraisal System essentially focusing on the individual and his growth. 3. A well defined Career Path Plan 4. A vibrant and Effective Training System 5. Organisational Development –

aimed at promoting people's problem solving and coping capabilities and more importantly in enabling them to anticipate and manage change.

The Bank, therefore, was contemplating of ushering in a new era – a new culture and at this point it would be interesting to look at the human dynamics. How did the people welcome HRD? What were their perceptions?

The following data is extremely significant.

i. Now that we have introduced HRD in the bank we can expect all good things to happen. ii. There will not be reprimands and punishments and all of us will be tended with care and perhaps fondies. iii. Bosses will not be behaving as bosses – there will be absolute bonhomie and camaraderie. iv. All of us will receive all types of training since HRD is synonymous with training v. it is the job of the HRD department to make us feel happy.

These then were the People's perceptions / expectations and it seemed to us that we had an uphill task in communicating clearly the HRD intent.

### **13.7.2 Towards a Planned Approach**

So far the attempt was to develop an understanding of HRD processes and also of the kinds of implications it had. We had to be very clear as to what it meant to us, and about the kinds of changes we wanted to bring about in the organization. We also had to be clear about the kinds of impact that these systems / processes would have on the organization and on its people.

The next step was to evolve a comprehensive HRD plan for the organization.

I have mentioned about the various mechanisms for effective data based management. Ours is a large bank – it is impossible for people at significant levels to take prudent personnel decisions without a proper data base. Well, there was a need identified and we designed relevant systems. Let's now look at the implementation process. Persons at all levels appreciated the need for having such data based mechanisms – so there was now mental inhibition to move towards and culture of data based personnel management. But there were a few problems at the implementation level. They were 1. A feeling of discomfort in understanding and implementing data based systems ii. Too many hassles involved in collecting and updating manpower data, iii. Having been used to a culture of going by personal knowledge of people, a majority of our managers had problems in getting used to a new culture.

However, we persisted in our efforts and started educating our HRD and Personnel Managers and training was provided to them in the use of data base packages. They were asked to acquire Personal Computers so that they could have up to date profiles of all personnel.

There is now a better understanding and also appreciation of data based systems and we expect the process to stabilize soon.

The focus was, therefore, on knowing for ourselves as to where we were, where we are and where we would like to be.

It was very clear to us that before we really, thought it terms of evolving any plan, it would be necessary to look at the sheet anchor of all HRD efforts viz., the manpower planning function. This to our mind was very critical component of the entire HRD framework. Not that we did not have any scientific manpower system –earlier but the focus was more on trying to evolve a plan both quantitative and qualitative which will be in tune with the total HRD efforts. In fact, we wanted an integrated manpower plan. The system in the SBI in regard to the determination of manpower needs was a useful tool to determine manpower requirements on a quantitative basis. However, a proper model was yet to be developed. We took a view that there are basically three components which contribute to the development of a manpower plan. They are business expansion, branch expansion and replacement on account of promotions and retirements. Fortunately, for us we had already adopted a system of having a long range planning and this to a very large extent helped us in making reasonably accurate forecasts but there was a major question of trying to determine acceptable productivity levels in an organization which is essentially people oriented. We had, therefore, to evolve a mechanism by which a linkage was drawn, to the business growth of the Bank and the number of employees that are there at any given point of time. This formula would throw out the business per employee at any given point of time and by assessing the trend of growth over the years, a decision can to be taken to step this up by a predetermined percentage so as to reach desirable levels of productivity. This of course took into account factors like inflation and more importantly the stretch factor by the existing employees. While this was alright for making macro level projections, we had to find a suitable mechanism to link it with a micro level projection. A mammoth exercise of classifying our branches into various population groups was carried out. Matrices were worked out indicating linkages of manpower with business levels and also to determine acceptable manpower levels. This to a large extent took care of the regional disparities and also the special characteristics of branches in the semi-urban and rural areas. While there was acceptance of this mechanism at all levels there was an ambivalent response to the application of such scientific tools. Questions were raised about the peculiar nature of the different branches, the responsibilities which these branches had and so on. We, therefore, commenced the task of educating our Managers in this regard in an effort to convince them of the logic of having scientific parameters for determining man power requirements and more importantly to get over the inhibition that all problems at branches were due to staff shortages. It took us a couple of years by the time we were able to convince them of the realism of the matter. As regards their fears about the problems at branches arising due to staff inadequacies, we had to think in terms of other diagnostic interventions in order to completely erase from their minds these kinds of inhibitions. In these sorts of exercises there were a few things which were very important.

### 13.7.3 Performance Appraisal

Now let me focus on a very critical HRD Components – the Performance Appraisal System. As was the case in most of the organizations, SBI, too, had a system of Confidential Reporting. Such a reporting system despite its non-relevance in the present context, did stand the tests of time. It was possible for the Management, when the organization was comparatively small, to use some impressionistic parameters in assessing people's performance. No doubt, that data, in respect of certain specific areas of performance, was used in writing reports on individuals. The essential features of a Confidential Reporting System are :

1. It reflects the views and perceptions of the appraiser.
- ii. There is no process of discussion between appraiser and appraisee
- iii. This is an instrument more used for taking promotion decisions
- iv. There is no scope for providing feedback to the appraisee on his performance.
- v. Growth needs / training needs do not get reflected in this system.
- vi. There is minimal use of data about a person's performance.

In introducing a HRD system in the Bank, we had to think in terms of having

- a. a data based appraisal system – reducing subjectivity to the minimum
- b. a system whereby a person can develop some clarity about his role
- c. a system which involves the appraisee in the goal setting process
- d. a mechanism whereby it is possible for the Boss and subordinate to share each other's expectations,
- e. a system of providing feedback on performance
- f. a system which facilitates the process of identification of growth needs of employees. In deciding to have a totally new performance appraisal system, we were aware of its implications. We were aware that :

Finally, I would like to share some of the experience relating to the career plan dimension. The SBI has all along been having very well formulated placement, transfer, and promotion policies which have stood the test of time. We found that there was a need to integrate this into a comprehensive career plan which could indicate the movements of an individual over a period of time, covering certain critical assignments in order to build multi-dimensional capabilities in him. We designed a career plan model which described the structured sequences of an individual's movements in the organization. Through this process we aim at enabling him to acquire the different types of capabilities that he needs to have not only in respect of his present assignment but more importantly in respect of the assignments that he needs to hold in future. The exercise involved the identification of the skills and attributes required at different levels and working of a plan for individuals to acquire the technical competencies at the lower levels, managerial competencies at the middle and higher levels and conceptual abilities at the top levels. A comprehensive framework has been evolved indicating the on –the –job exposure and the institutional training exposure which persons need at different points of time. We are very sure that this will help us in building the type of people we want in this organization looking at this in a futuristic way.

I have attempted to present the HRD experiences in a conceptual form – the process of experiencing goes on. HRD is truly a continuous process the area is really very vast,

and has cosmic dimensions. There is a great deal of challenge we have our agonizing and ecstatic moments and the hope, of building a better organization through people, is the biggest motivator.

In this mammoth effort of carrying the HRD tasks further, we have learnt a few lessons.

### **13.8 Summary**

The authors have learnt that : i. changes in organizational climate and culture could be brought about through carefully designed systems and mechanisms ii. changes concerning people would have to be properly planned and executed and more importantly with the involvement of the people. iii. people's anxieties, fears and doubts need to be handled properly at each step lest their attitudes harden thus making change impossible. iv. lot of experimentation and testing are necessary in respect of major systemic changes. v. change agents and critical masses need to be built up if change has to be facilitated. vi. Top commitment and support are absolutely vital for all HRD efforts. vii. implantation of 'ready-made' systems is infeasible these would need to be adapted or modified after due consideration of the cultural patterns and the value systems prevailing in the organization. viii. changes are often times resisted at the middle and senior levels. ix. effective communication is a prerequisite for all HRD efforts. x. cultural backgrounds of people have a strong bearing on their belief in and support of HRD efforts. xi. the size of an organization and its geographical spread are no hindrance for promoting HRD work. xii. Interventions and mechanisms in the HRD area, which have a 'nurturant' or 'mothering' orientation can often be counter productive.

The learning process is continuous – we need to take the lessons learnt seriously and think of new approaches.

For those of us in the HRD area these experiences are very significant – for these give us new insights – ideas new approaches. Unlike technical and systematic interventions where results are visible or can even be forecast with a certain degree of precision, HRD happens to be an area where it is difficult to think of arithmetical parameters for measurement of results. People, who matter and who are keenly observing the progress in the HRD area, will judge us by how we have impacted on people, on organizations and on society.

### **13.9 Self Assessment Questions**

1. Write a short note on HRD Practices in Indian Industries?
2. Briefly compare the HRD Practices in Public and Private Sector organizations in India.
3. How can you implement the HRD function in your organization based on the HRD Practices followed by Indian Public Sector Organizations.

### **13.10 Further Readings**

1. Rao, T.V. and Abhaham; HRD Practices in Indian Organisations, New Delhi, Oxford& IBH, 1983.



2. T.V. Rao and D.F. Pereira (Ed.), Recent Experiences in HRD, New Delhi, Oxford & IBH, 1985.
3. Rao T.V. The HRD Missionary, New Delhi, Oxford & IBH, 1990.

**Dr. B. Nagaraju**

## Lesson – 14

# TRAINING: CONCEPT, IMPORTANCE AND OBJECTIVES

## 14.0 Objective :

After going through this lesson, you should be able to :

- understand the Concept of Learning
- know the ten Principles of Learning
- study the Theories of Learning
- understanding the Learning Curve
- visualize the importance of Learning in HRD

## Structure

- 14.1 Introduction
- 14.2 Rationale for HRD and Training : Global Perspective
- 14.3 Management Training and Development : A Conceptual Framework
- 14.4 Concept of Training
- 14.5 Need for Training at various levels
- 14.6 Importance of Training
- 14.7 Training Objectives
- 14.8 Areas of Training
- 14.9 Benefits of Training
- 14.10 Training Strategy
- 14.11 Systems Approach to Training Function
- 14.12 Current Trends in Training
- 14.13 Summary
- 14.14 Self Assessment Questions
- 14.15 Further Readings

## 14.1 Introduction

Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goods. Modern Management has to develop the organization through Human Resource Development. Employee Training is the important subsystem of Human Resource Development. Employee Training is the important subsystem of Human Resource Development. Employee Training is a specialized function and is one of the fundamental functions of Human Resources Management.

Training is the act of increasing the knowledge and skills of employee for doing a particular job. Dale S. Beach defined training as “the organized procedure by which people learn knowledge and skill for a definite purpose.”

We may have abundance of factors of production like money, men, machinery and materials but still they may not be highly productive in the absence of relevant skills. It is the skill which provided a crucial input into any productive process. The importance of learning skill particularly technical skill has been emphasized from time immemorial. However with the development of human cultural and civilization, various kinds of skills were also evolved. Learning of and mastery over relevant skills, therefore have become critical in controlling complex situational factors of the organized venture in the wake of economic and technological changes. This lesson focuses on the concept of training, need for training, objectives of training, training strategy and systematic approach to training.

## **14.2 Rationale for HRD and Training : Global Perspective**

Globalization waves have created considerable ripples in the all-improvement areas of Human Resources, their training and professional development. The global environment demands up-gradation of knowledge and skills in the existing employees and necessitates procurement of skilled / trained employees and retraining them. The impact of globalization on human resource is significant, direct and complex and its through : i. Jobs becoming intellectual ii. need for bio-professional and multi-skilled managers. iii. Change in organization structure, and iv. total quality management

Organizations need high performance systems with high skills and high adoptability in human resource. Constant upgrading of knowledge and broadened skill base of employees are becoming imperative to prevent human resource obsolescence. Information sharing is also critical if people at workplace to contribute creativity than just physically.

In the present information age, a large number of organizations, whether engaged in manufacturing or services, whether public or private sector, are laying emphasis on the development of human resources. The need for such development is an outcome of the pressure of changes in global scenario, which requires competent personnel to cope with the changes. The term 'training' relates to the development of human resource potential, especially in the managerial cadres for greater productivity. In other words, it is 'optimization of human resources'.

### **14.2.1 National Perspective**

Since Independence, we have been making efforts to develop our nation competing with others in some strategic matters. Economic Reforms have been changing the complexion of our business / organization and environment quite fast.

Within the framework of our approach to economic development, competitive advantage in the organization can ensure the services of high quality manpower by adopting policies and practices that will make these valued employees to sell service to organization. Training and development is vital, without which the organizations cannot meet the challenges arising out of globalization and liberalization process. Training and development is necessary to overcome the shortage of trained and skilled persons, and to meet the future needs of organization.

The organizations are now compelled to implement the standard quality systems like ISO 9000, ISO 14000, QS 9000, Total Product Management, Total Quality Management etc. Organizations are not only facing stiff competition but also compelled to produce high quality products. So all the organizations are concentrating on development of their human resources for increasing the production and supply of high quality products to the market.

### **14.2.2 Organisational Perspective**

High-level quality of performance requires high level of competent human resources. Competent and growth of an organization in today's industrial scenario. The HRD activates the effectiveness and productivity of organizations.

Training is a continuous process. There are continuous training requirements, which have to be satisfied in order to meet the challenge of progress. Training and development increases performance effectiveness of personnel at all levels. It results in increase in productivity, waste management, cost reduction and better quality of products. The development of individual has two components. One is knowledge or skill acquired through training; and other is knowledge or skill developed by him on the job. Development of individual depends of four factors. a. the organization b. the HRD department c. superior or boss d. the individual himself.

## **14.3 Management Training and Development : A Conceptual Frame Work**

### **14.3.1 Historical Perspective**

After the Industrial Revolution in 1970's technological and scientific development created a greater need for continuous training. During 19<sup>th</sup> century, by legislation in the U.S., vocational training system was implemented. In 1886, manual training schools were established in Cincinnati, Cleveland, Toledo and Chicago in the U.S.A. due to industrial revolution a new form of factory school was established between 1872, and 1901. Hoe and Company, General Electrical Company, Baldwin Locomotive Works, etc. established such factory training schools. 2506 training experts met at New York in 1906, and formed an association called the National Society for the Promotion of Industrial Education. In 1945, America Society for Training and Development was formed which initiated and activated the training.

### **14.3.2 Training Scenario Before Independence in India**

In 1806 the Halley Bury College was established for training personnel of East India Company, in India. This College was abolished in 1857, but the arrangements were made for training of Indian personnel in the Universities of Oxford, Cambridge, London and Dublin for a period of one year. This phase ended in 1940, with ushering of independence, the method of training administrative managerial personnel was completely reorganized. It is a real breakthrough, as 'Dr. Braibanti' observes this break with traditional source left and new training programmes were adopted.

### **14.3.3 Training Scenario After Independence**

In the post Independence period, there was a serious shortage of qualified executives due to stagnation in the economy. Recognizing the need to overcome the problem in the year 1964 the formal training function was initiated in India. Management institutes and Departments were started in different Universities, and their programmes were related to job training. Gradually Training and Development gained popularity and became an important function. National Productivity Council, Indian Society for Training and Development, All India Management Association etc., are the institutions promoting training and development activities.

The Government of India has given importance to training and development through successive five – year plans.

Consequently, today, a number of industries have started giving greater attention to management training; and training department have been set up to train personnel within the industry in addition to sending them to external training agencies.

## 14.4 Concept of Training

“Training is the systematic modification of behavior through learning which occurs as a result of education, development and planned experience.” – Michael Armstrong

“Training consists of planned programme designed to improve performance at the individual, group, and / or organization levels. Improved performance, in turn, implies that there have been measurable changes in knowledge, skills, attitudes, and/ or social behavior.”

– Wayne F Cascio

“Training as the organized procedure by which people learn knowledge and / or skills for a definite purpose.” - Dale S. Beach

Training and education are closely connected these concepts differ in crucial ways. While ‘training relates to imparting specific skills for specific objectives’, education involves the development of whole individual socially, intellectually and physically.’ The term “Development can be defined as the nature and direction of change taking place among personnel through educational and training process.” - Mc Farland

### 14.4.1 Meaning

After an employee is selected, placed and introduced he or she must be provided with training facilities. ‘Training is the act of increasing the knowledge and skill of an employee for doing a particular job’. Training is short-tem educational process and utilizing a systematic and organized procedure by which employees learn technical knowledge and skills for a definite purpose.

In other words training improves, changes, and moulds the employee's knowledge skills, behaviours, aptitude and attitude towards the requirements of the job and organization.

Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization to acquire and apply the knowledge, skills, abilities and attitudes needed by a particular job and organization. Thus, training bridges the differences between job requirements and employee's present specifications.

### 14.4.2 Significance of Management Training

During the last 40 years tremendous changes have taken at global level, therefore when out economy / industries were thrown open in the perspective, the industries in Indian Organisations were totally unprepared for change. To make the process of adaptation faster with a view to cope up with global changes, we require new professional managers and this could be done through HRD practices, especially by training and development process. Management training is a systematic process by which individuals gain and apply knowledge, skills, insights and attitudes to manage work effectively.

## 14.5 Need for Training at Various Levels

Training is required at all levels in an organization to the workmen, the supervisors and the managers. Training and development activity makes the employees more effective and productivity at all levels. New and advanced techniques can be facilitated through training to replace old methods and techniques. It enables all levels of employees to develop with the organization and increases their commercial value, earning capacity etc., through training. It develops integrity and loyalty of the personnel towards the organization and, high quality system management can be developed within the organization, which increases the morale of employees, reduced frustration and grievances, absenteeism.

A successful organization accords importance to value and system for continuous improvements in performance. They put people 'First in Action' and invest huge amount in training. It focuses on two issues : individual development as well as organizational development. Such organizations emphasis the positive aspects of development of all employees, with emphasis on a highly motivated flexible work force more creative and improved social, interactive, high team spirit, knowledge sharing and interdependency orientation.

### 14.5.1 Need for Training

Every organization should provide training to all employees irrespective of their qualification, skill, suitability for the job etc. Training is not something that is done one to new employees, it is use continuously in every well run establishment. Further, technological changes automation, require updating the skills and knowledge. A such an organization has to retain the old employees. Specially the need for training arises due to the following reasons.

#### **a. To Match the Employees Specifications with the Job Requirements and Organisational Needs :**

An employee's specifications may not exactly suit to the requirements of the job and the organization irrespective of his past experience, qualifications, skills, knowledge etc. Thus management may find deviations between employee's present specifications and the job requirements and organizational needs. Training is needed to fill these gaps by developing and moulding the employees present specifications and the job requirements and organizational needs. Training is needed to fill these gaps by developing and moulding the employee's skill, knowledge, attitude, behavior etc., to the tune of job requirements and organizational needs.

#### **b. Organisational Viability and the Transformation Process :**

The primary goal of most of the organizations is their viability and efficiency. But the organizational viability is continuously influenced by environmental pressures. If the organization does not adopt itself to the changing factors in the environment, it will lose its market share.

If the organization desires to adopt these changes, first it has to train the employees to impart specific skills and knowledge in order to enable them to contribute to the organizational efficiency and to cope with the changing environment. The productivity of the organization can be improved by developing the efficiency of transformation process which in turn depends one enhancement of the existing level of skills and knowledge of the employees. The achievement

of these objectives mostly depends on the effectiveness of the human resources that the organization possesses. Employee effectiveness can be secured by proper training.

**c. Technological Advances :**

Every organization, in order to survive and to be effective, should adopt the latest technology i.e., mechanization, computerization and automation. Technology alone does not guarantee success unless it is supported by people possessing requisite skills. So, organization should train the employees to enrich them in the area of changing technical skills and knowledge from time to time.

**d. Organizational Complexity :**

With the emergence of increased mechanization and automation, manufacturing of multiple products and by-products or dealing in services of diversified lines, extension of operations to various regions of the country. Most of the companies have become complex. This leads to growth in number and kind of employees and layers in organizational hierarchy. This in turn, creates the problems of coordination and integration of activities at various levels. This situation calls for training in the skills of coordination integration and adaptability to the requirements of growth development and expansion. Companies constantly search for opportunities improve organizational effectiveness. Training is responsible for much planned change agents and to implement the programmes of effectiveness.

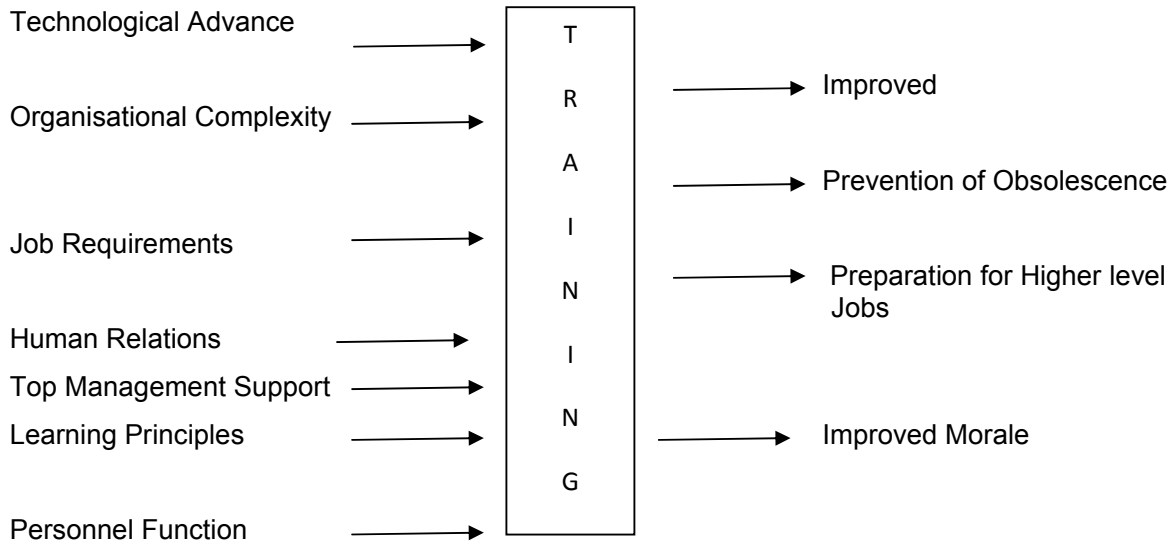
**e. Change in the Job Management :**

Training is also necessary when the existing employee is promoted to the higher level organization and when there is some new job or occupation during transfer. Training is also necessary to equip the old employment and advanced discipline, techniques or technology.

- a) Increased Productivity
- b) Improve Quality of Product / Service
- c) Help a Company to fulfill its future personnel needs
- d) Improve Organisational Climate
- e) Prevent Obsolescence
- f) Effective Personal Growth
- g) Minimise the resistance to change

“The factors discussed are mostly external factors and they are beyond the personnel manager’s control” These factors often determine the success of training objectives as shown in the figure

**Figure**  
**Factors – Purpose Relationship in Training**



## 14.6 Importance of Training

The increasing competition, among other things increases the significance of training. Training matches the employees with the job from time to time. Job and organizational requirements are not static they are changed from time to time in view of technological advancement and change in the awareness of the Total Quality and Productivity Management (TQPM). The objectives of the TQPM can be achieved only through training as training develops human skills and efficiency.

Trained employees would be a valuable asset to an organization. Organizational efficiency, productivity, progress and development to a large extent depend on training. Organizational objectives like viability, stability and growth can also be achieved through training. Training is important, as it constitute significant part of management control.

Further, the trained employees invite organizational change and ready to take up any type of assignment. The success of any organization, to a greater extent depends on the amount, qualitative and timely training provided by an organization.

## 14.7 Training Objectives :

- i. To expose participants to latest productivity techniques
- ii. To prepare the employee both new and old to meet the present as well the changing requirements of the job and the organization
- iii. To acquaint participants with the basic approach underlying creative thinking.
- iv. To help participants develop keen insight into their own behavioural patterns and explain awareness of their potential



- v. To develop the potentialities of people for the next level job
- vi. To promote individual and collective morale, a sense of responsibility, cooperative attitudes and good relationships

Even experienced in new jobs need training to improve their performance. Employee capabilities and job demands must be balanced by orientation and training. The balance between new employee capabilities and job demands must be balanced by orientation and training. The balance between new employee capabilities and job demands is shown in the below diagram.

Generally, the line managers ask the personnel managers to formulate the training policies. The company's goals and objectives.

- i. To prepare the employee both new and old to meet the present as well as the changing requirements of the job and the organization.
- ii. To impart the new entrants the basic knowledge and skill they need for an intelligent performance of definite job.
- iii. To prepare employees for higher level tasks
- iv. To assist employees to function more effectively in their present positions by exposing them to the latest concepts, information and techniques and developing the skills they will need in their particular fields.
- v. To build up a second line of competent officers and prepare them to occupy more responsible positions
- vi. To broaden the minds of senior managers by providing them with opportunities for an interchange of experiences within and outside with a view to correcting the narrowness of outlook that may arise from over specialization.
- vii. To develop the potentialities of people for the next level job.
- viii. To ensure smooth and efficient working of a department
- ix. To ensure economical output of required quality.
- x. To promote individual and collective morale, a sense of responsibility, cooperative attitudes and good relationships.

**Management training has a two-folded objective.**

- a. Improving and current level of performance of personnel in their present jobs; and
- b. Equipping the personnel with potential for higher-level responsibilities.

#### **14.7.1 Advantages of Training**

The contributions of imparting training to a company should be readily apparent. The major values are :

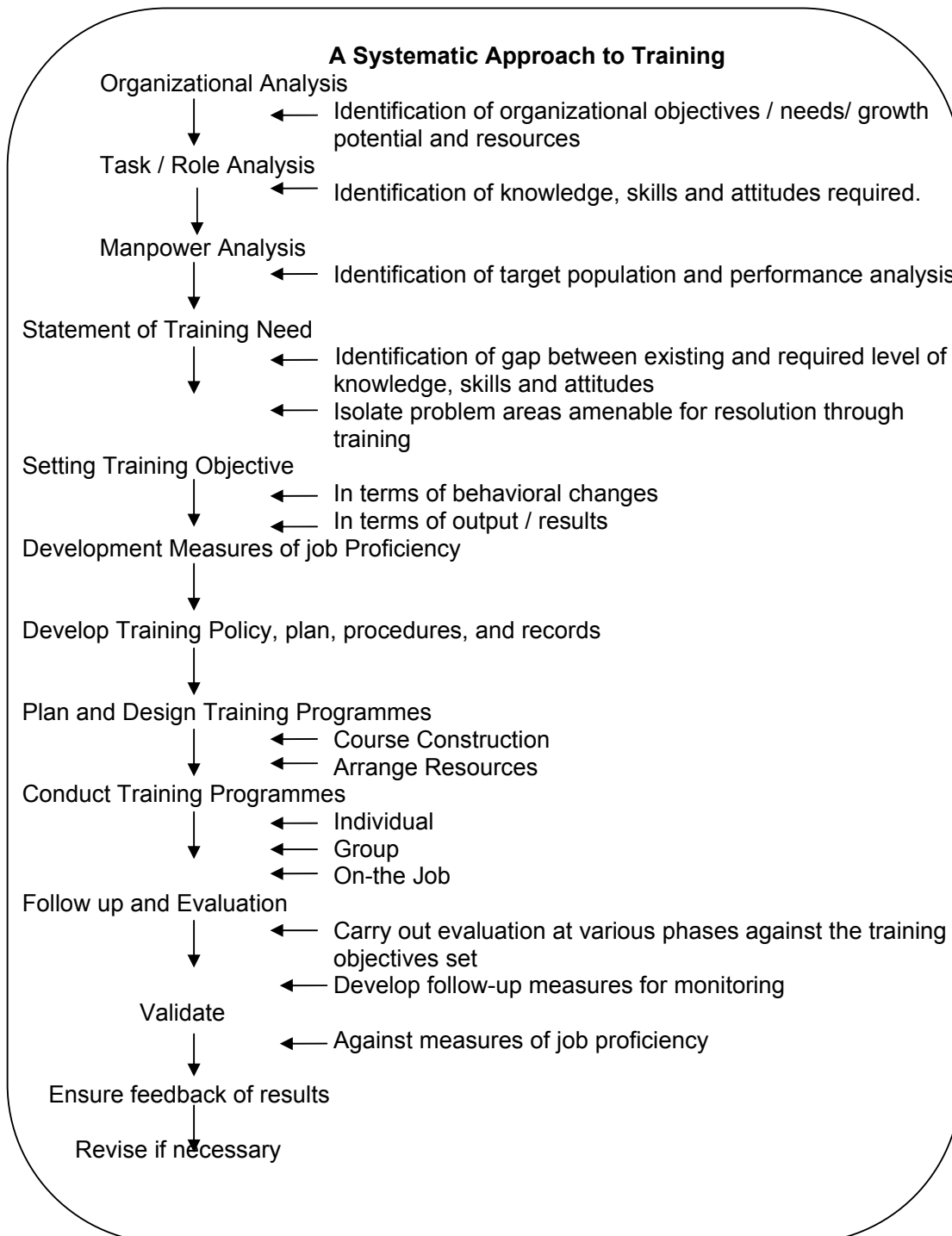
- i. Increased Productivity & Quality
- ii. Heightened Morale
- iii. Reduced Supervision
- iv. Reduced Accidents
- v. Increased Organizational Stability

#### **14.7.2 Training as a Behavioral Change Process**

'Malcolm Warren', directing the attention on effecting behavioral changes through training, writes "Management training is a process of effecting behavioral changes of individuals", as a results of its action, individuals will do something in a way different from that in which they did the same thing before training". The behavioral changes brought about by the training function are a). change of skills b. Change of Knowledge and c. change of attitude.

### 14.7.3 A Systematic Approach to Training

Training to be meaningful, therefore, must be integrated into overall human resource development strategies of organizations. Such integration can be achieved only when training activities are carried out in a systematic manner. A systematic and integrated approach to training should consist of various inter related components shown in figure.



As it can be seen from figure, all training activities must be given with organizational analysis and must ultimately contribute to solving organizational problems identified in the process of carrying out the analysis.

## 14.8 Areas of Training

Organisation provides training to their employee in the following areas :

- I. Company Policies
- II. Specific Skills
- III. Human Relations
- IV. Problem Solving
- V. Managerial and Supervisory Skills
- VI. Apprentice Training and
- VII. Technological and Structural Development

## 14.9 Benefits of Training

### 14.9.1 How Training Benefits the Organization

- a) Leads to improved profitability and / or more positive attitudes toward profits orientation
- b) Improves the job knowledge and skills at all levels of the organization
- c) Improves the morale of the workforce
- d) Helps people identify with organizational goals
- e) Helps create a better corporate image
- f) Fosters authenticity, openness and trust
- g) Improves the relationship between boss and subordinate
- h) Aids in organizational development
- i) Learns from the trainee
- j) Helps prepare guidelines for work
- k) Aids in understanding and carrying out organizational policies
- l) Provides information for future needs in all areas of the organization
- m) Organisation gets more effective in decision-making and problem solving
- n) Aids in development for promotion from within
- o) Aids in developing leadership skill, motivation, loyalty, better attitudes and other aspects that successful workers and managers usually display
- p) Aids in increasing productivity and / or quality of work
- q) Helps keep costs down in many areas, e.g. production, personnel, administration etc.
- r) Develops a sense of responsibility to the organization for being competent and knowledgeable.
- s) Improves labour-management relations
- t) Reduces outside consulting costs by utilizing competent internal consulting
- u) Stimulates preventive management as opposed to putting out fires
- v) Eliminates suboptimal behavior (such as hiding tools)
- w) Creates an appropriate climate for growth and communication
- x) Aids in improving organizational communication
- y) Helps employees adjust to change
- z) Aids in handling conflict, thereby helping to prevent stress and tension.

### **14.9.2 Benefits to the Individual which in turn ultimately should benefit the Organisation**

- a) Helps the individual in making better decisions and effective problem solving
- b) Through training and development, motivational variables of recognition, achievement, growth, responsibility and advancement are internalized and operationalised
- c) Aids in encouraging and achieving self-development and self-confidence
- d) Helps a person handle stress, tension, frustration and conflict
- e) Provides information for improving leadership knowledge, communication skills and attitudes
- f) Increases job satisfaction and recognition
- g) Moves a person towards personal goals while improving interactive skills
- h) Satisfies personal needs of the trainer and trainee
- i) Provides the trainee an avenue for growth and a say in his/her own future
- j) Develops a sense of growth in learning
- k) Helps a person develop speaking and listening skills; also writing skills when exercises are required
- l) Helps eliminate fear in attempting new tasks

### **14.9.3 Benefits in Personnel and Human Relations, Intra and Intergroup Relations and Policy Implementation**

- a) Improves communication between groups and individuals
- b) Aids in orientation for new employees and those taking new jobs through transfer or promotion
- c) Provides information on equal opportunity and affirmative action
- d) Provides information on other governmental laws and administrative policies
- e) Improves interpersonal skills
- f) Makes organization policies, rules and regulations viable
- g) Improves morale
- h) Builds cohesiveness in groups
- i) Provides a good climate for learning growth, and co-ordinations
- j) Makes the organization a better place to work and live

## **14.10 Training Strategy**

All occupations engaged in converting actual into preferred situations are concerned with design of policies, institutions and behavior itself. The process spirals through appreciation, action and re-appreciation. The principle is that you work simultaneously from the unit and from the total and then go in cycles.

Rigor in engaging resources only in lines of action for which training is a significant variable is one of the most professional responsibilities of a trainer and a training system. This includes judgement of whether adequate conditions exist for the likely success of a training program. In this respect training is like a manufacturing process. Both the ends and the means must be appropriate to the purpose. Relating them demands clear goals, a plausible strategy for attaining them, and precise specification for each part of the training task, including the resources of time, skill and facilities required. Contrary to the popular saying, something is

often not better than nothing for “something” may convey a mistaken sense of movement and progress toward a goal when in reality no ground has been gained.

#### 14.10.1 Four Strategic Issues

To avert futile training programs it is necessary to consider four strategic issues separately :

1. Action perspective in training strategy
2. Goal setting with the work organization taking the lead
3. Planning training specifications with trainers
4. Programming strategy by the training system in detail of each strategic issues sum up as follows”

1. **Action Perspective in Training Strategy** : From an action perspective, training is a systematic attempt to develop the human resources – individual, group and organizational competencies required to manage some present tasks and situations as well those in the future. An effective training strategy therefore focuses on making training an effective instrument of action in the field. In the course of doing this, training may well give rise to action projects : these projects develop they then in turn, high new gaps in competencies to be filled through training. Training and action are therefore closely linked. When training is closely linked to action, the trainer’s role expands from the traditional organizer of training programmes and sessions to include change agent and system consultant to the work organization. The trainer participates in organizational diagnoses, planning change interventions, actually intervening in collaboration with colleagues operating the technologies and services of the organization, and evaluating and replanning the organization’s development strategy. When a training strategy attends to all four aspects properly, even a small training system can choose its training to meet organizational needs with minimal delay.

2. **Goal setting with the work organization taking the lead** : The next step after the overall action strategy is clear is setting appropriate goals for training. What are the changes to be effected? Once this question is answered, these follow : What number and types of people? In other words, what are the training specifications. Training should be aimed at a set objective. The objective should be clearly defined at the very outset. The principle is accurate timing is to have personnel return from training as and when the organization is ready to use their new competence. Other inputs should be scheduled for the same time changes in technologies and supplies, the fresh climate of readiness for the change and so on. Newly trained personnel will then be able to proceed with their new jobs without delay. Only when plans for such detailed tailoring have been worked out has time arrived for step three – the selection of particular programmes and of suitable people for them.

3. **Planning Training Specifications** : The Organization has specified the new knowledge understanding and skills required for the change it desires. The training system, in turn, has helped to pinpoint those which can be developed through systematic training. How this is to be done, that is, what training designs and methods to use strictly the business of the training system. This is the very core of its job.

a). **Planning** : Careful, conscientious preparation before presenting any knowledge or practical lesson is the essence of effective teaching and training. The trainer’s skill is updated through his constant teaching experience and his capacity of adopting himself to every new situation. A trainer should use his preparation time for personal motivation and self development. The knowledge or skill to be imparted to the trainees should first be analysed and

specified. In other words, a written description of the content of any lesson should be available in some form before lesson preparation begins. This could be called session plan.

**b). Preparation :** The essential elements of preparation are given below. The order might be changed according to the individuals and circumstances.

- i. Aim and purpose of the lesson
- ii. Duration and amount of time
- iii. Structure and sequence
- iv. The trainee's ability and attitude
- v. Trainers training / instructing techniques to be followed
- vi. Location of the training place
- vii. Tools, equipments and materials required for the training
- viii. Training aids
- ix. Model rooms
- x. How is it proposed to measure the results and what type of are required.

**c). Programming Strategy by the Training System :** Let us assume that the overall strategy has been mapped out satisfactorily, the training goods make sense, and the training specifications are met. The fourth specific step then addresses two further considerations. How to organize the various training inputs for maximum effectiveness and economy constitutes programming strategy and is the chief concern of the rest of this chapter. The training system's first task is to use advantageously its current training resources, the skills of its trainers, available time and facilities, as well as the training resource and opportunities.

**Programming strategy combines various discrete resources into purposeful inputs**

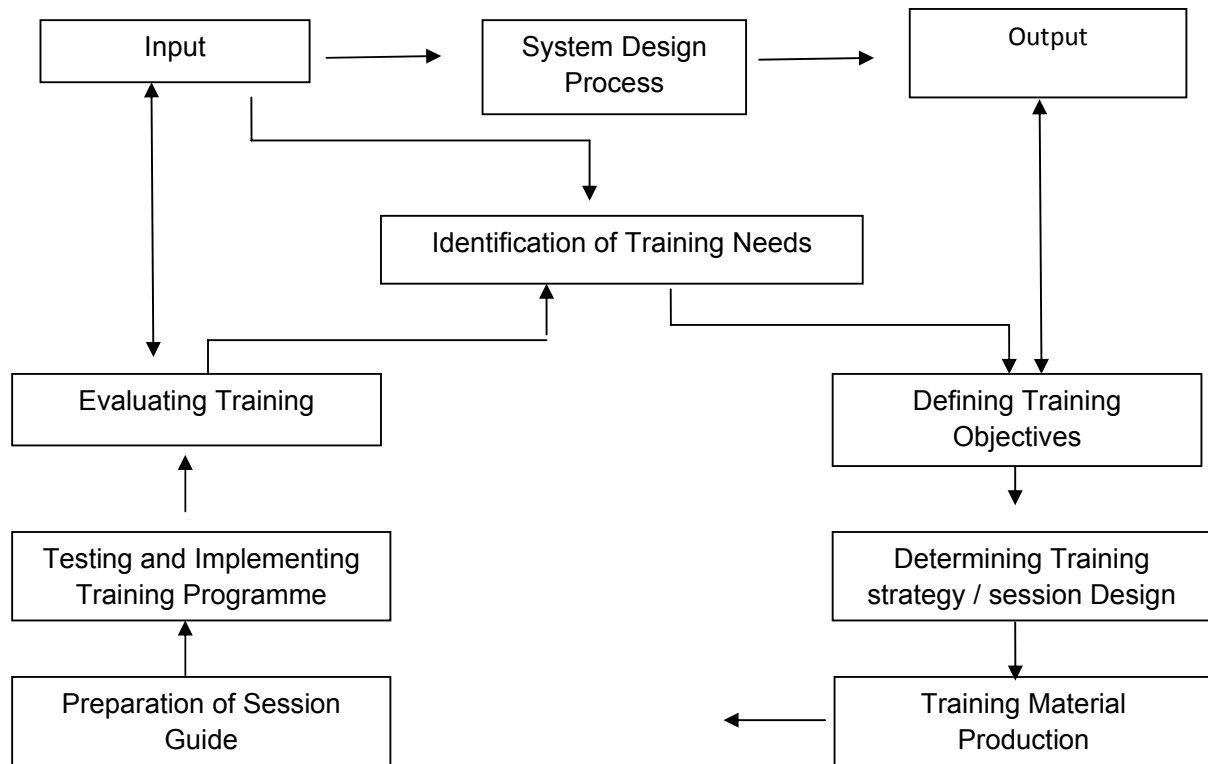
## 14.11 Systems Approach to Training Function

In this chapter an attempt is made to describe systems approach to training as an alternative to traditional and haphazard approach, need for such approach, design of appropriate management training system and its competent parts along with related issues.

A training system may be defined as a rational arrangement of inputs, technology, people, materials, events and process designed to elicit behavioral outputs which produce further social or economic outputs increasing organizational effectiveness. It denotes a set of principles which emphasizes definition.

A training system receives a perform as raw material having actual or potential deficiency in the job performance and processes him to modify behavior to match that specified in the training objectives. This is done under defined operating conditions and constraints. Feedback is obtained from the trained person to refine the system. The process consists of several factors such as trainer, subject matter, training techniques and aids, physical facilities, time and money (budget). The entire training system is that which suits the beneficiary organization and its personnel substantially.

The system design is illustrated in the given figure



#### 14.11.1 Input

A person with actual deficiency is the basic raw material who is started under a training process to transform his behavior in line with the training objectives knowledge, skill and attitude requirements of jobs. Therefore input is expressed in terms of the quality and characteristics of a training which is of prime importance since it has direct bearing on output of the system. Under the system concept, it is pertinent to analyse the trainee and define specially and clearly the characteristics of the trainee in terms of age, knowledge skill, attitude, level of education and experience etc. So that specific criteria may be establish for the selection of trainees for a right training programme.

#### 14.11.2 Process of Operation

Transformation of input into output takes place in a predetermined training operation system which is one of the component parts of the total training system. The training system has to determine and define its operation system for smooth treatment of input through various sequences of operation. The training operation design includes various factors such as trainer, subject matter, training techniques and aids physical and other facilities conditions and constraints, time and budget. The training operation system designer has to visualize, determine and define operating conditions and constraints whole decking the logical sequence of subject within a training programme, instruction techniques, the format of training materials, training aids like audiovisual equipments and specification of trainer's behavior in the system.

### 14.11.3 Output

The output of a training system is stated in terms training objectives which consists of three characteristics:

- a. Observable behavior – the trainee must be able to perform after training
- b. Standard of performance
- c. Conditions under which trained behavior must be shown

These specifications are derived from the job requirements of a person concerned through task and individual analysis.

## 14.12 Current Trends in Training

Considering the present practices in the corporate sector, we may say that the term 'training' is being used for all types of development programmes, since development programmes have not remained confined to Management Development only. Companies are organizing development programmes for not only white-collar employees but also for blue-collar employees like shop-floor operator, clerical and support staff and even for unskilled workers.

In addition to technical training with regard to their jobs and machines, developmental programmes are being conducted in attitudinal, behavioural and self –development areas for the white collar employees. The belief in organizing development programmes for workers has taken root after the growing realization by corporate that about 80% of the people are workers, and they can make or break the organization. Hence, most of the forward –looking organizations have focused on developmental programmes, using the term "training" to also signify development programmes.

## 14.13 Summary

Training and Development has emerged as a major educational system in the last two decades in India because it has been widely accepted as a critical input for improving managerial performance and organizational effectiveness. The important of learning skill particularly technical skill has been emphasized from time immemorial. However, with the development of human culture and civilization, various kinds of skills were also evolved. Employees gaps have been fulfilled by the training concept. Training is needed to every employee of the organization to meet the challenges of present the future roles. The goal of all job related training is to achieve long term improvements in the way employees do their jobs.

The efficiency of an organization depends directly on the capability and talent of its personnel, and how motivated they are capability of a person depends on his ability to work and the type of training he receives. While his personal capability is evaluated through proper selection procedure, his training is taken care by the organization after he has been employed by the organization. Since training inputs may vary from on-the-job experience to off-the –job training, most of the organizations undertake some kind of training for their employees. In Indian organizations, training and development activities have assumed high importance in recent years because of their contributions to the achievement of organizational objectives



### 14.14 Self Assessment Questions

1. What is employee training? Explain its importance.
2. What purposes does training serve? Explain the ingredients of good training programmes for the employees.
3. Discuss the concept of training and explain its objectives
4. Discuss the significance of training and how the strategic approach is useful for the effective training.
5. Briefly discuss the benefit of the training for employee organization.

### 14.15 Further Readings

1. Subba Rao P & V S P Rao, "Personnel / Human Resources Management", Konark Pub. Co. Ltd., Delhi, 1996
2. Rolf P Lynton & Udal Pareek, "Training for Development", Vistaar Publications, New Delhi, 1990.
3. Sah AK, "Training and Development" Sterling Publishers Private Ltd., New Delhi, 1991.
4. Udal Pareek & T V Rao, "Designing and Managing of Human Resource Systems", Oxford & IBH Pub. Co. Ltd., New Delhi, 1981
5. Ramaswami N. "A Handbook of Training & Development", T R Publications Private Ltd., Madras, 1992.
6. Leonard Nadler, "Corporate Human Resource Development" ASTD and Van Nostrand Reinhold Co.Ltd., New York, 1980
7. T V Rao & D F Periera, "Recent Experiences in HRD", Oxford & IBH Pub. Co. Pvt. Ltd., Delhi, 1986.

**Dr. M. Trimurthi Rao**

## Lesson -15

# Types and Methods of Employee Training

## 15.0 Objective :

After going through this lesson, you should be able to :

- Understand the types of employee training.
- Know the on-the-job training programmes.
- Study the different off-the-job training programmes.
- Understand the learning and choice of training methods.

## Structure

### 15.1 Introduction

### 15.2 Training Methods

### 15.3 Training methods based on the job content

### 15.4 Off-the-Job Training Methods (OJT)

### 15.5 Choice of Training Methods

### 15.6 Principles of learning and the choice of methods

### 15.7 Training within Industry

### 15.8 Recent Developments in Training

### 15.9 Summary

### 15.10 Self Assessment Questions

### 15.11 Further Readings

## 15.1 Introduction

What is the objective of training? Is it acquisition of knowledge and skills which the trainee does not know where to use? Absolutely not ! Training is to obtain effectiveness in action. It should aim at a lasting improvement on-the-job. Much of the criticism of management training has been on the grounds of lack of its impact in the work situation. Knowledge and skills have not been converted into "improving effectiveness at work". Training should really be concerned with "people-on-jobs-in-organizations".

Much training now proceeds as if 'knowledge' and 'action' were directly related. At the same time it is said that knowing is not enough, there is need to gain experience' on the job, in the field. These two requirements need to be integrated. How does one do it?

There is a range of 'teaching methods' available to a trainer. Each method has its advantages and disadvantages in terms of the 'objective' of a particular training programme or training situation. The differences between the training methods lie mainly in terms of the trainees' personal involvement or participation in the process of learning. This can be represented on a continuum from least to highest involvement. It is difficult to establish whether one method of instruction is superior, in every way, to another method. Each method of instruction has its use in a training programme.

## 15.2 Training Methods

The choice of a method is a matter of experience and competence of the instructor. It is also a matter of his judgement of how much and what a particular group of trainees could learn from using one method or another. It is believed that those training methods, which invite 'participation' by the trainees in the learning experience are better than those that limit their involvement in the learning process.

The first 3 training methods in the list given below are in the realm of action –real or stimulated. The fourth – the Case Method – is experiencing a situation 'vicariously'. The list is in a descending order of participation or involvement in the learning process itself.

### I. Training in the field on-the-job :

- a) Apprenticeship
- b) In-Plant Training
- c) Craftsmanship Training

### II. Simulating Real Life Situations

- a) Role Playing
- b) Business Games
- c) In-Basket Training

### III. Laboratory Training

- a) Sensitivity Training – T-group and L- group
- b) Transactional Analysis

### IV. Sample Real Life

- a) Incidents, Case Method / Case Studies

### V. Individualized Training or Counseling

- a) Practicing Specific Skills
- b) Reading and Written Assignments
- c) Postal Tuition
- d) Programmed Instruction

### VI. Discussion Methods

- a) Syndicate Method
- b) Seminars, Conferences, Colloquium, Symposium

### VII The Lecture Method

## 15.3 Training Methods Based on the Job Content

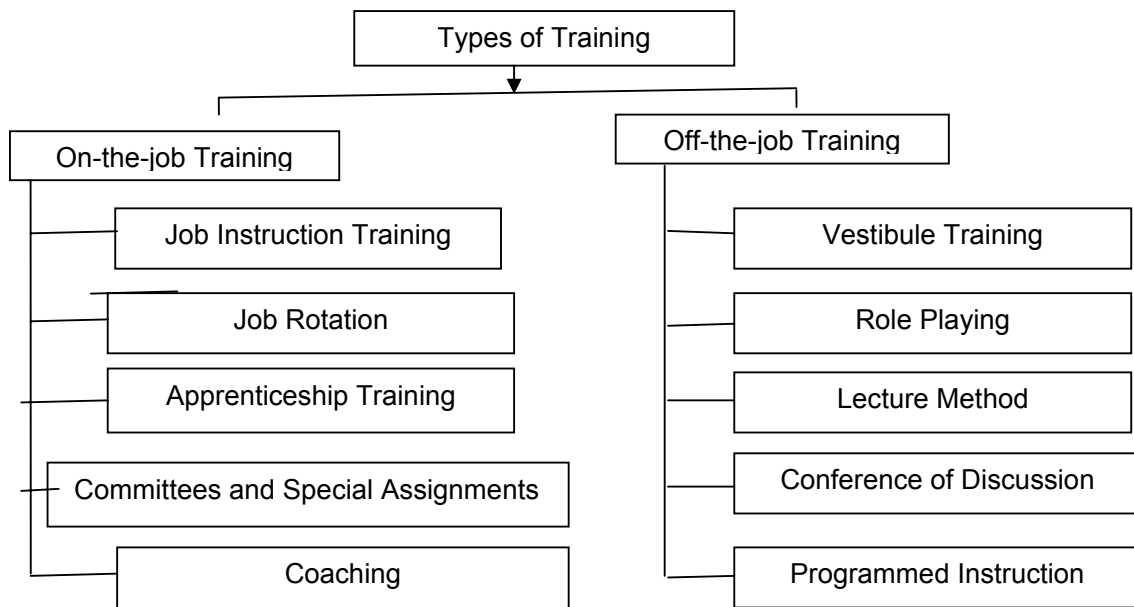
Management is now recognized as a separate professional skill. The growing emphasis on professionalism, growing bureaucracy, competitive growth, rise in the educational level with demand for better leadership, all throw the need for a better equipped population. The pressure for better trained executives combined with the need to fill the gap in executive shortages causes an emphasis for executive development programmes. As Ducker has rightly said, 'competence is a specialty is of course not a barrier, however an excellent technocrat may not even make a regards good manner'. He has to be made one. This is where training come in. Training is the process by which individually acquire through practical experience, knowledge, skills and attitudes. Training is always with a purpose. It is a means for maintenance and improvement of the level of performance of a person in a section or a department.

Flippo, lucidly discusses several advantages of training. These include increased productivity high morale reduction in the level of supervision, increased organizational stability and flexibility as also reduction in accidents.

As a result of research in the fields of training a number of programmes are available. Some of these are new methods, while others are improvements over the traditional methods.

The training programmes commonly used to train operative and supervisory personal are discussed below.

These programmes are classified into on-the-job and off-the-job training programme as shown in the below.



### 15.3.1 Importance of on-the-Job Training

An employee is placed in a new job and is told how it may be performed. It is primarily concerned with developing of an employee's skills and habits consistent with the existing practices of an organization and with orienting him to his immediate problems. The main advantage of on-the-job training is that the trainee learns on the actual equipment is use and in the real environment of his job. He, therefore gets a feel of the actual production conditions and requirements.

In his section we will discuss five on-the-job framing techniques:

- i. Job Instruction Training
- ii. Job Rotation
- iii. Apprenticeship Training
- iv. Committees and Special Assignments and
- v. Coaching

This method is also known as training through step by step. Under this method, trainer explain the trainee, the way of doing the jobs, job knowledge and skills and allows him to do the job. 'The trainer appraises the performance of the trainee, provides feedback information and corrects the trainee. Job instruction training was developed during world war II to provide a guide for on-the-job training for white and blue collar employees as well as technicians.

Essentially job instruction training involves four steps :

**a. Preparation the Trainee :** It involves releasing the new employee through anxiety reduction. Trainees can do this by showing an interest in the new workers, introducing them to co-worker, describing the importance of the trainees. Formal job descriptions and specifications can help employees to know what is expected of them, thereby facilitating the learning process.

**b. Demonstrating the Job :** Trainers should also tell trainees how to do the job. Learning is further facilitated and made easier to follow. If the job is broken down into subparts and a step-by-step sequencing followed when appropriate.

**c. Having the Trainee to Perform the Job :** Job Instruction Training also requires to perform the job atleast twice. During the process of performance the trainee must explain how and why they are doing, enroll step procedure helps trainees conceptualise the task better and also shows the trainee well understand the task

**d. Follow-up-on the employees performance :** The organization must make certain that the worker is correctly performing the task in order to assess the need for additional training. An important aspect of this step is to let trainees know to whom they may go for help after the formal training period has been completed.

Follow-up also provides information to trainers and the firm evaluating and modifying existing training programmes. Finally, follow-up lets trainees see that the organization is interested in correct performance and it provides feedback to the workers as to the effectiveness of that performance.

### 15.3.2 Apprenticeship Training

Skilled crafts, such as carpentry plumbing, iron working and airline mechanics, utilise apprentice ship training. In our modern technological era, untrained manpower constitutes a

waste of national resource. Training effort is a key to human resources utilization. Systematic and scientific training arrangements are necessary to produce requisite skills of all types, to provide trained manpower to industry and to play every job and unknown. Several bodies recommended to make apprenticeship Act, such as Indian Labour Conference (1951), Technical Training Committee(1956), the special Apprenticeship Committee of the Small Sale Industries Board (1958), working group on Technical Education (1956), and the National Council for Training in Vocational Trades (1960).

The Government of India enacted the Apprentices Act in 1961 to supplement the programme of institutional training by on-the-job training and to regulate the training arrangements in industry. The Act came into force on 1st March 1962 and is applicable to the whole of India, since January 1963, it has become a very important vocational training scheme of skilled workforce needed for economic growth and development of India. The following objectives of this Act :

1. To organized on a systematic basis the training of Apprentices in Industry with a view to meeting the increasing demand for skilled craftsmen.
2. To utilize fully the facilities available with the industry for the training of Apprentices
3. To ensure the training of apprentices in accordance with “the programmes, standards drawn up by the expert bodies
4. To improve the employment opportunities for educated young people by equipping them with various types of employable skills.

In India, the apprenticeship training has been made compulsory under the Apprenticeship Act 1961. Under this, act, employees in specified industries including paper industry are obliged to train a certain number of apprentices in ‘designated’ trades according to prescribed national standards. The proportion of apprentices to workers employed varies from trade to trade.

Apprenticeship training is made by used when complex skills are involved. Such training is well planned and correctly conducted, it permits the integration. It also provides the apprentice with an opportunity to earn while learning, and thereby increases motivation. The company also receives some benefits from these programmes in the form of some productive output.

### **15.3.3 Job Rotation**

Job Rotation is associated with number of meanings. It may refer to assigning managerial trainees to different jobs in order to broaden their supervisory skills, knowledge and experience, and to acquaint them with the function of various departments in the organization.

Job Rotation can also be used for non-managers as a technique to reduce boredom brought on by specialization. For example production workers can be taught to perform three jobs and rotated from one to another every month. In addition to reducing boredom, such procedure may allow employee to understand how their jobs related to other jobs in the company.

This type of training involves the movement of the trainee from one job to another.

Though this type of training is common in training, managers for general management positions, trainees can also be rotated from job to in workshop jobs.

#### 15.3.4. Committees and Special Assignments

- I. Many types of special assignments are available for on-the-job training.
- II. First trainees may be given special projects on which to work to work in order to broaden their experiences
- III. Under the committee assignment, group of trainees are given and asked to solve an actual organizational problem. The trainees solve the problems jointly. It develops team work.

#### 15.3.5 Coaching

- I. The trainee is placed under a particular supervisor who functions as a coach in training the individual.
- II. The supervisor provides feedback to the trainee on his performance and offers him some suggestions for improvement.
- III. Often the trainee shares some of the duties and responsibilities of the coach and relieves him of his burden.
- IV. Coaching is also an important of performance appraisal in that it helps to stimulate individual growth and development
- V. Coaching contributes to learning and improved performance because it is excellent opportunity for the trainees on continuous basis

**Objectives of Coaching : Coaching aims at development of the counsel. It involves the following**

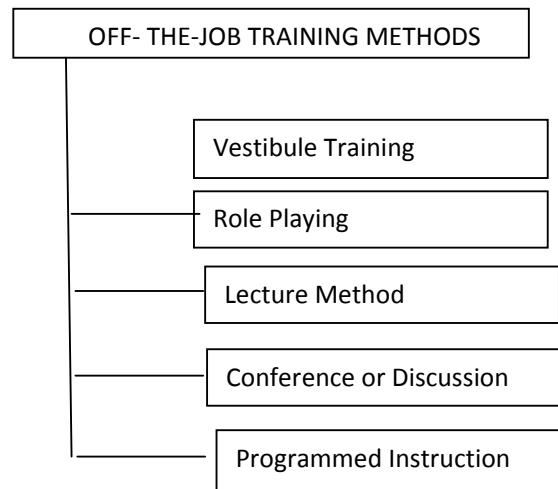
- a. Helping him to realize his potential as a manger
- b. Helping him to understand himself his strengths and his weaknesses
- c. Providing him an opportunity to acquire more insight into his behaviour and analyse the dynamics of such behavior
- d. Helping him to take better understanding of the environment
- e. Increasing his personal and interpersonal effectiveness by giving him feedback about his behavior and assisting him in analyzing his interpersonal competence.
- f. Encouraging him to set goods for further improvement
- g. Encouraging him to generate alternatives for dealing with various problems.
- h. Providing him empathic atmosphere for his sharing and discussing his tensions, conflicts, concerns and problems.
- i. Helping him to develop various action plans for further improvement
- j. Helping him to review in a non threatening way his progress in achieving various objectives

In addition to these, coaching strengthens the dyadic relationship between employee and his boss.

#### 15.4 Off the Job – Training Methods (OJT)

Under this method of training trainee is separated from the job situation and his attention is focus upon learning the material related to his future job performance.

- I. Since the trainee is not distracted by job requirements, he can place his entire concentration on learning the job rather than spending his time in performing it.
- II. There is an opportunity for freedom of expression for the trainees. Off-the-job training methods are as follows.



#### 15.4.1 Vestibule Training

- I. In this method, actual work conditions are simulated in a class room.
- II. This type of training is commonly used for training personnel for clerical and semiskilled jobs
- III. The duration of this training ranges from a few days to a few weeks
- IV. Theory can be related to practice in this method

#### 15.4.2 Role Playing

- I. It is defined as a method of human interaction that involves realistic behavior in imaginary situations.
- II. The participants play the role of certain characters, such as the production manager, mechanical engineer, superintendents, maintenance Engineers, quality control inspectors, foreman, workers and the like
- III. This method is mostly used for developing interpersonal interactions and relations

#### 15.4.3 Lecture Method

- I. The lecture is traditional and direct method of instructions
- II. The instructor organizes the material and gives it to a group of trainees in the forms of a talk.
- III. To be effective, the lecture must, an advantage of lecture method is used for large group of trainees costs and time also reduced.

#### 15.4.4 Conference or Discussion

- I. It is a method of training for the clerical and supervisory personal
- II. This method involves a group of people who pose ideas, examine and share facts, lest assumptions and drawn conclusions, all of which contribute to the improvement of job performance.
- III. In this method participants feel free to speak in small groups.



- IV. The success of this method depends on the leadership qualities of the person who leads the group.

#### **15.4.5 Programmed Instruction :**

- I. In recent years this method has become popular. The subject matter to be learned sequential units.
- II. These units are arranged from simple to more complex levels of instruction. The trainee goes through these units by answering questions or filling the blanks. This method is expensive and time consuming.

### **15.5 Choice of Methods**

#### **15.5.1 Teachers**

The choice of methods will depend on the knowledge and experience of the teacher. Some teachers find themselves very comfortable with the lecture method. They have been doing it for so long. They have the necessary experience with this method. They have found "chalk and talk" work. However, role playing would require entirely different experience. The trainer's knowledge of psychology should be very good; he should have a lot of experience in dealing with human problems in management and should have the ability to react quickly in discussion. Case study, on the other hand, will need a high level of analytical skills on the part of the trainer to analyze what participants say in the class room. He should have good concentration to pick out points from the class.

While management trainers should try to use different methods in training for management development, the choice of methods will depend not only on their effectiveness but also on expertise the trainer has. In view of this, importance of faculty development cannot be over-emphasized.

#### **15.5.2 Participants**

Choice of methods should take into consideration a). the intellectual level and educational background of the participants and b). the participants age and practical experience. For example, comprehensive cases do not go well with participants without any experience. Similarly, such cases will not be very effective with a group of not-so-highly educated supervisors. With such a group a talk supported by audiovisual aids will be quite successful. With experienced managers, syndicate discussion and complex cases go very well.

#### **15.5.3 Environment**

The choice of methods will depend on the social and cultural factors in the environment. In India, we are culturally used to teachers giving lecture and students accepting whatever is told by them. There is not much of participation. The belief is that the teacher has the knowledge, which the students do not have. So it will be in the interest of students to obediently and unquestioningly listen to the teacher. However, things have changed. Now many participative methods are accepted and used in management training.

#### **15.5.4 Objectives of the Programme**

No training programme is run for nothing. Actually, the process of training starts with the identification of training needs. Objectives are then set for a particular programme. Methods are

selected which will complement the efforts of the trainer to impart knowledge, influence attitudes and develop practical skills.

Some methods are more effective than others in achieving certain objectives. Some examples are given below :

<b>Management Skills</b>	<b>Methods with High Effectiveness</b>
Diagnosing Problems	Case Method
Decision Making	Decision Simulation
Communication	Role Playing
Motivating	Group Projects

It is said that a manager may get more direct and stronger feedback on his leadership style, communication abilities and behavior in general from other participants in sensitivity training or as a member of a team working on a group project than in years of work in a managerial position.

### **15.5.5 Time and Infrastructural Facilities**

Choice of methods depends on time and the availability of resources and infrastructural facilities. For example, when resources are limited and only the classroom and blackboard are available, the time-tested lecture method will suffice. This “chalk and talk” has been used from time immemorial and will continue to be used, notwithstanding rapid development in the training technology. Any other method will require additional resources, facilities and time.

Cases and business games will need a lot of time in preparation and testing. Cases have to be cleared by the company before they can be used in the classroom. Most the companies take a good amount of time in cleaning cases. The choice of methods also depends on the duration of the course. In short courses, complex cases should be avoided. Actually teaching through case method is pretty difficult. Even with very experienced trainers, the first week of any MBA programme run through the case method produces feelings of frustration and disgust. One could then well imagine what would happen when the duration of the course is one week and the methodology is only the case method.

## **15.6 Principles of Learning and the Choice of Methods**

### **15.6.1 Motivation :**

How do I motivate trainees to learn? This is the most difficult question a trainer has to answer. Unfortunately, answer to this question is not simple. However, a trainer should always remember that he must work and work hard, to keep this motivation level high. On the basis of this factor, the methods can be ranked as follows :

<b>Motivation</b>	<b>Method</b>
High	Business Game, Project Assignment
Medium	Lecture (can be enhanced by making the lecture interesting) Group Discussion, Case Study
Low	Reading Assignment

### 15.6.2 Active Involvement

It is said that management cannot be taught. It can only be learnt and learning takes place better when students actively participate in the process. Actually deeper the involvement, higher the motivation and more the students retain, the better they are equipped to apply it. Some methods ensure involvement much more than others as shown below :

Active Involvement	Methods
High	Case Study, Business Game, Role Playing, Project Assignment
Medium	Group Discussion Reading Assignment
Low	Lecture

### 15.6.3 Individual Approach

Individuals are individuals. And different approaches work better with different people. While group training programmes are normally organized to meet the identified training needs of the group, it will be advisable to provide opportunity for individual work.

**This can be done through :**

- Compulsory individual assignments like reading, exercises and projects. Reading are generally not read. One way to avoid this is to intelligently tie them up with case studies;
- Use of individual training aids like tapes, videotapes, records etc;
- Breaking down the group assignments for each individual; and
- Additional work by more capable students

Possibility of Individual Approach	Methods
High	Project Assignments
Medium	Group Discussion, Case Study, Business Game, Role Playing, Reading Assignments
Low	Lecture

### 15.6.4 Sequencing and Structuring

Concepts have to be built step by step. Sequencing and structuring are needed to provide the impact and the consequent results from training. Lecture method is the best for sequencing and structuring. The ranks of other methods are :

Possibility of Sequencing & Structuring	Methods
High	Reading Assignment
Medium	Case Study, Business Game, Project Assignment
Low	Group Discussion, Role Playing

### 15.6.5 Feedback

Feedback is as important to learning as milk to a growing child. Feedback can be on the following :

- a. Trainee's competence
- b. His behavior
- c. His actual learning, and
- d. His ability to apply what has been learnt by him

Some methods provide better feedback than others. It is important for the trainer to be aware of the types of feedback possible in different methods to increase his own effectiveness in teaching. Here are the details :

Feedback	Method	Feedback on
High	Business Game Role Playing Project Assignment	Soundness of discussion Behavioural pattern Practical usefulness of learning
Medium	Group Discussion Case Study	Knowledge / Analytical ability
Low	Lecture Reading Assignment	

### 15.6.6 Transfer

Training for what? The test is that one should be able to transfer what one has learnt to live situations. Different methods rank as follows so far as their effectiveness in transfer process is concerned :

Transfer	Methods
High	Project Assignment
Medium	Case Study, Business Game, Role Playing
Low	Lecture Group Discussion, Reading Assignment

Two methods, lecture and case study are used extensively in management development programmes in India. It is time trainers acquired expertise in using other methods, which are being utilized more and more with much better results. This will require a sustained faculty development programmes by management institutes.

## 15.7 Training within Industry

Training to the employees can be provided both within the industry and outside the industry. Training within the industry is provided through both on-the-job and off-the-job methods. Normally supervisors, foremen and seniors provide the training to the employee. Supervisors coach the employees initially how to handle the machines, materials, accounts, files, records etc., and also clarify the issues and doubts raised by the employees.

In addition, some supervisors deliver the lectures to group employees, take them around the factory or work place. Some industrial units establish their own training institutes or colleges and arrange for training within the industry. These institutes or colleges use off-the-job training methods like lecture, role play, vestibule training, conferences and programmed instruction.

## **15.8 Recent Developments in Training**

### **15.8.1 Employee Self Initiative**

Employees have realized that change is the order of the day and they have started playing the role of a change agent. Consequently, employees identify their own training needs, select appropriate training programmes organized by various organizations and undergo the training programmes. Thus, employees in recent times started taking proactive learning measures on their own.

### **15.8.2 On-line Training**

Companies started providing on-line training. Trainees can undergo training by staying at the place of their work. Participants complete course work from wherever they have access to computer and internet. Different types of media are used for on-line training.

## **15.9 Summary**

Training and Developments has emerged as a major educational system in the last two decades in India because it has been widely accepted as a critical input for improving managerial performance and organizational effectiveness. The important of learning skill particularly technical skill has been emphasized from time immemorial. However with the development of human culture and civilization, various kinds of skills were also evolved. Employees gaps have been fulfilled by the training concept. Training is needed to every employee of the organization to meet the challenges of present and future roles. The goal of all job related training is to achieve long term improvements in the way employees do their jobs.

Training has a strategic role to play in organizations. The on-the –job training steps improved the performance of employees. They have been properly trained on the existing machinery thereby they can suit into the jobs and facilitated for high production. The main components of off-the-job training are vestibule, lecture and so on. Employees and trained not only in the organizations but also learned in the other training institutions to equip their skills and knowledge to meet present and future challenges of their jobs.

## **15.10 Self Assessment Questions**

1. Discuss the different types of training
2. Classify the different methods of training followed by Indian organizations
3. What is on-the-job training? Discuss the different methods of on-the –job training.
4. What is off-the-job training? Discuss the different methods of off-the –job training.
5. Discuss the principles of learning and the choice of training methods and their relevance.

### 15.11 Further Readings

1. Subba Rao P & V S P Rao, "Personnel / Human Resources Management", Konark Pub. Co. Ltd., Delhi. 1996.
2. Rolf P Lynton & Udai Pareek, "Training for Development", Vistaar Publications, New Delhi, 1990.
3. Sah AK, "Training and Development", Sterling Publishers Private Ltd., New Delhi, 1991.
4. Udai Pareek & T V Rao, "Designing and Managing of Human Resource Systems", Oxford & IBH Pub, Co. Ltd., New Delhi, 1981
5. Ramaswami N, "A Hand book of Training & Development", T R Publications Private Ltd., Madras 1992.
6. Leonard Nadler, "Corporate Human Resource Development " ASTD and Van Nostrand Reinhold Co. Ltd., New York, 1980.
7. T V Rao & D F Periera, "Recent Experiences in HRD", Oxford & IBH Pub. Co. Pvt. Ltd., Delhi, 1986.

**Dr. M. Trimurthi Rao**

## Contents

### Unit – I

1. Introduction to Cost Accounting
2. Cost Concepts
3. Cost Classification

### Unit- II

1. Overhead Distribution
2. Target Costing & Activity Based Costing
3. Marginal Costing and CVP Analysis

### UNIT – IV

1. Introduction to Accounting
2. Double Entry System
3. Ledger & Trial Balance
4. Final Accounts

5. Accounts of Non-Trading Concerns

UNIT – V

1. Depreciation
2. Inventory Valuation

# HOSPITAL COST AND FINANCIAL ACCOUNTING



# MBA HOSPITAL ADMINISTRATION, II YEAR, PAPER – VIII

## Contents

1. HRD Concept, Need and Origin	1.1 – 1.15
2. HRD as a Total System	2.1 – 2.18
3. Activity Areas of HRD	3.1 – 3.15
4. HRD Climate in Indian Organisations	4.1-4.18
5. Integrated Human Resource Development ...	5.1 – 5.23
6. Career Planning and Development	6.1- 6.24
7. Human Resource Development Strategies in India	7.1 – 7.20
8. Staffing for HRD	8.1 – 8.15
9. Physical and Financial Resources for HRD	9.1 – 9.14
10.& 11. Instructional Strategies for HRD	10 &11.1 – 10.11.10
12.Evaluating the HRD Effort	12.1 – 12.12
13.HRD Practices in India	13.1 – 13. 30
14.Training : Concept, Importance and...	14.1 – 14. 16
15.Types and Methods of Employee Training	15.1 – 15.13
16.Identification of Training Needs	16.1 – 16.19
17.Designing and Organising Training ...	17.1 – 17.15
18.Management Development	18.1 – 18.16
19.Management Development Programmes :	19.1 – 19.17

# Travel Agency Management

Post Graduate Diploma in Travel and  
Tourism Management – Paper – III



**Lesson - 16****IDENTIFICATION OF TRAINING NEEDS****Learning Objectives:**

After going through this lesson, you should be able to :

- What a computer is.
- Characteristics and limitations of a Computer.
- History of Computers.
- The evolution of Computer through five generations.
- Types of Computers.
- Advantages of using Computers.
- Applications of Computers.

**Lesson Structure:**

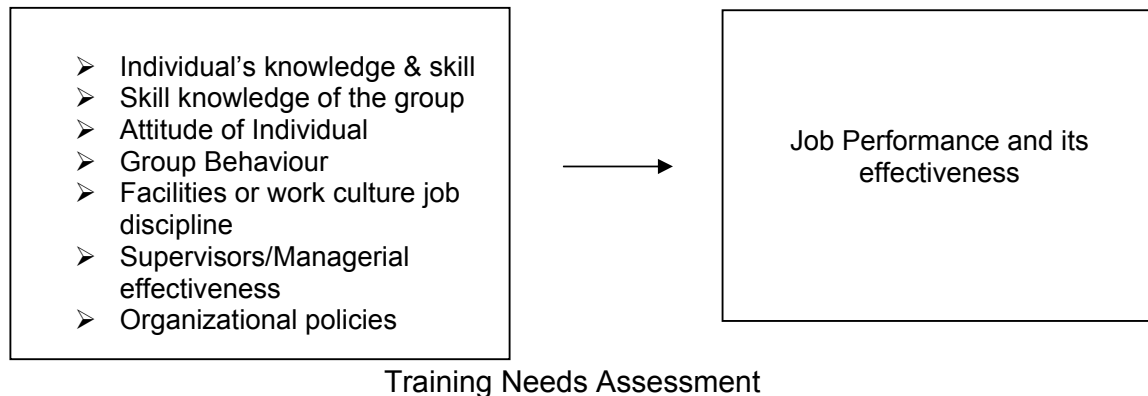
- 16.1. Introduction**
- 16.2. Framework for Training Needs Assessment**
- 16.3. Components of the levels of analysis perspective**
- 16.4. Classification of needs**
- 16.5. Basic approach to training need identification**
- 16.6. Training need identification process**
- 16.7. Model of 3-Tier Training Needs Survey**
- 16.8. Questionnaire Method**
- 16.9. Interview Method**
- 16.10. Classifying Employees**
- 16.11. Training Efforts**
- 16.12. Summary**
- 16.13. Self Assessment Questions**
- 16.14. Further Readings**

**16. 1. Introduction:**

The organizational effectiveness depends on the performance and excellence of their employees. The employees may be inexperienced or lacking in some of the skill/knowledge required performing the given task or even organizational culture demands the flexibility of

attitude and awareness of legacy or discipline to enable him to recognize red, green and gray lines before making any decisions.

These deficiencies need to be rectified and the employees moral to be boosted to perform his task effectively. The model below illustrate the performance deficiencies as a result of deficiencies in an individual or/and a group.



There is little disagreement among training researchers (for examples, Base & Vaughan, 1966; Goldstein, 1986; McGehee Thayer,1961; Wexley and Lathan.1981) that a thorough assessment of the organisation's needs is of utmost importance and should be conducted before the development of a training program. Training needs assessment provides information on where training is needed what content of the training is needed, what the content of the training should be, and who when the organization needs training in certain kinds of skills and knowledge. In this section, McGehee and Thayer;s (1961) framework which has structured the needs assessment literature, is reviewed, and the need for a new and expanded theoretical perspective on training needs assessment is addressed.

## 16.2. Frame work for Training Needs Assessment

McGehee and Thayer (1961) introduced a framework for understanding the needs assessment process. It identified there critical and interrelated components; organizational analysis, operations (or task) analysis, and person analysis, Organizational analysis emphasizes the study of the entire organization; its objectives, it's a allocation of those resources, as they are to the organizational objectives. It involves the examination of a number of factors, such as indexes and productivity records, to determine the extent to which organizational goals are being met. An assessment must also be performed to determine whether training is a strategy for accomplishing organizational goals.

Once an organizational analysis has been conducted to see where training is needed (for example in a department or a work group) task analysis determines the activities performed on job and conditions. A person analysis focuses on determining which employee needs training and what kind of training is required.

## 16.3. Components of the Levels of Analysis Perspective

The levels of analysis perspective are an extension of the general systems is paradigm. It posits what events should be viewed within their larger contexts; it is impossible to

understand complex events by reducing them to their individual elements (Von Bertalanffy, 1975, 1980). Any particular system must be viewed as a subsystem of some still larger system (Lewin, 1951). The systems are seen as interrelated, such that the properties of the system and its components are changed if the system is disassembled in any way (Ashoms & Huber, 1987).

These general assumptions form the basic elements of the levels perspective. To build a research model from the levels perspective several steps need to be taken. First the system being studied must be decomposed into subsystems or levels. Second the conceptual variables of interest must be identified for each level of analysis. Third operational measures of the conceptual variables of interest must be specified for each level. Finally, information gathered on the relationship among variables in the model must be interpreted at the appropriate level(s) of analysis.

### **13.3.1. Identification of Levels**

A paradox of the general systems paradigm is that the notion of systems, interrelatedness makes it impossible to test any mode, since nothing can be separated from the larger system. From the levels perspective a system is viewed as nearly decomposable which means that it can be divided into relatively independent subsystems or levels yet maintain the original systems characteristics. Interactions among subsystems are viewed as weak but not negligible. Therefore, while mechanisms at any particular level can be studied as relatively autonomous functions within the hierarchical system. Interactions among levels are also important considerations.

Vertical differentiation of levels is also possible, because the time processes at any given level differ from those at other levels. Higher levels are said to have slower time scales than lower levels do (Simon 1969, Mesarovic, Macko & Takahara, 1970). Adjacent levels have more similar time scales for processes than do levels that are farther apart.

From the levels perspective, hierarchical structure allows for the vertical segregation of hierarchical levels (Roussoau, 1984). Organizational researchers typically have used the terms organizational, subunit and individual to denote the hierarchical ordering of organizational levels (for example, Indik, 1968). The organizational levels refer to the entire system, without reference to specific individuals or groups. The subunit level refers to each formal work group in the organization, without consideration of individual workers. The individual level refers to a single person in a work group.

### **16.3.2. Conceptualization**

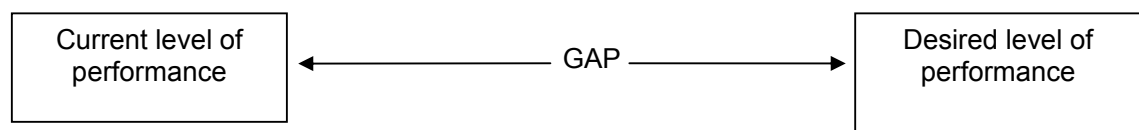
The levels perspective requires the specification of constructs for each level (Organizational, subunit and individual). On these constructs, interests, have been determined, consideration must be given to the development of theories that specify how the constructs or variables are related within and across levels. The levels issues relevant to the conceptualization of variables include isomorphism, bond strength, constraints, and the distinction between parts and wholes.

In developing a conceptual model from the levels perspective one must consider the functional similarities that exist across levels, and particularly across adjacent levels (Indik,

1968). Isomorphism (Van Gigh, 1978; Von Bertalanfy, 1980) a basic element of the levels perspective, refers to the generality of constructs across levels; that is there are general characteristics, exhibited by all systems, that represent similar processes in all the systems. Isomorphic constructs have also been labeled "composition models" (see Rousseau, 1985).

Out of these the following can be analysed and corrected through T & D efforts to achieve desired performance:-

- i) Lack of knowledge and skill
- ii) Poor attitude or negative approach
- iii) Unsatisfactory work culture
- iv) Faculty mechanism or inadequate facilities
- v) Working group approach & poor interpersonal relationship
- vi) Faulty job design
- vii) Poor managerial abilities



## 16.4. Classification of Needs

The above model also gives a gentle hint that in an organization not only the individual but the group or even the organizational culture need to be developed to set in organizational effectiveness. Thus the training needs can be said to exist at following three levels:

- i) Individual needs
- ii) Occupational needs
- iii) Organizational needs

### 16.4.1. Individual Needs

Skill, knowledge and attitude are the three dimensions of a performer which contribute towards his/her total effectiveness or the competence. One can have basis knowledge and skill to justify for the job description but the improvement in these dimensions with reference to the occupational and organizational needs can bring out better results. Amongst the individual needs supervisory skill development, Managerial/Executive Development Decision making needs etc. are important needs.

### 16.4.2. Occupational Needs

The need of fulfill the competence gap to perform quality output breaking the barriers of interpersonal group effectiveness, developing confidence to take up challenges and initiative; generally clarifies the occupational need. Amongst this Team Development, Group dynamism OJT, JIT etc. can be considered.

### 16.4.3. Organizational Needs

Every organization strives for excellence in job performance to achieve total dynamism in respect of fulfilling its objectives. Therefore, there must be an approach to develop individual



by way of correcting his attitude, appraising and counseling his/her etc. which can promote harmonious work culture. The management development programmes OD, MBO etc. are the common organizational needs.

#### 16.4.4. T & D Justification

To keep pace with changing scenario, every organization is redefining its objectives and the strategies to utilize the potential of all those who form an organization. The following are the forms affecting the organizational objectives, policies or the strategies:

- a) Fast growing technological and social change
- b) Widening the vision of leadership styles
- c) Increasing size and complexity of organization
- d) Educational level of employees
- e) Legal and political influences

Therefore adequate human resource development process can bring out

- a) Improvement in quality of performance
- b) Improvement in quality and rate of production
- c) Improvement in morale
- d) Improvement in work ethics
- e) Reduction in grievances
- f) Reduction in learning time
- g) Reduction in wastage of material, machine hours and manpower
- h) Reduction in supervisory burden
- i) Widening awareness amongst employees
- j) Enlarging skill and competence to take up future challenges
- k) Smooth career growth

### 16.5. Basic Approach to Training Need Identification

In the earlier days the employer used to decide who is to be trained or what training is necessary to meet his objectives. With the awareness of the significance of T & D in organizational growth western countries have developed various methods and techniques to identify the training needs to justify the investment in HRD and have systematic approaches for developing their employees. Though the T & D activities have also taken momentum in our country the development of the effective mechanism or methods to identify the training needs have been quite slow,

The various initiatives taken to identify training needs were:

- i) Manpower scrutiny to locate the positions that employees are required to possess to meet the set objectives.
- ii) Promotion, transfers, retirement data study to find out for training the employees for these positions.
- iii) Future plans of organizations.

Slowly, the approaches lead to annual appraisal of the employees, need for updating the existing manpower, organizational growth and diversification to identify the training and development needs.

As such the basic equation to identify the training need was established as:

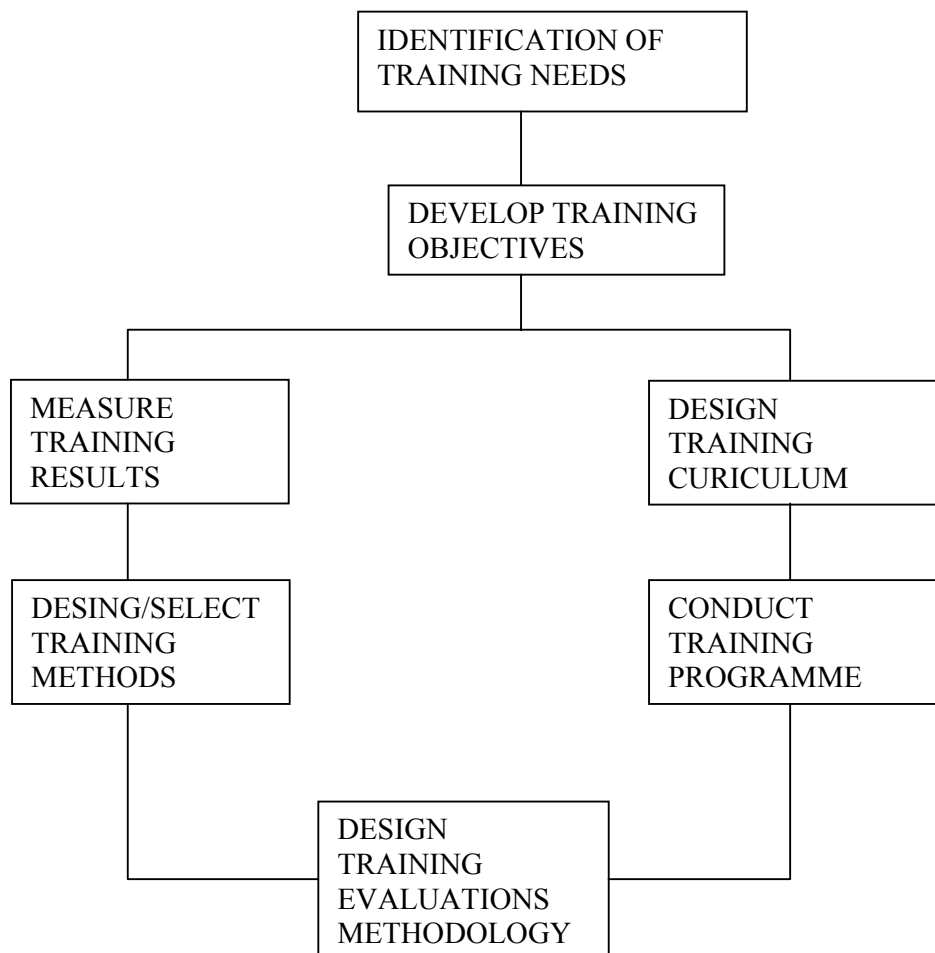
$$\text{Training needs} = \text{Job requirement} - \text{Existing competence}$$

$$\text{Development needs} = \text{Desired group dynamism} - \text{Existing attitudes of individuals}$$

1. Training Need Survey
2. Competence Analysis
3. Performance Analysis
4. Task analysis or group dynamism analysis
5. Feed back/recommendations
6. Management decisions

## 16.6. Training Need Identification Process

Identification of training needs is the first element and a critical one in the training activity. Success of the training function depends greatly on the correct identification of needs.



The above diagram indicates the various steps involved in operating a training development system.

As training is primarily for improving the performance of a person on his current job, it is necessary to collect and store the following data which can be made use of in identification of training needs:

- a) Job descriptions of individuals as perceived by them and their superiors against the individual's profile (i.e. existing conceptual, human relations and technical skills).
- b) Job performance review i.e. level of performance achieved by individual measured against both job content and agreed personal objectives.
- c) Potential of individuals to grow within the organization keeping in view the growth rate of the organization and agreed personal objectives.
- d) Managerial ability and traits of individual which can contribute towards performance on the job.

The training manager cannot do the exercise of training need identification himself. He has to necessarily take the assistance of line managers. The training manager is primarily responsible for the design and conduct of suitable training programmes for individuals in the organization so as to meet organizational objectives. However, his involvement at all stages is a must. If the need identification itself is wrong, the training manager's expertise in conducting training programmes will be of very little use. A line manager while reviewing the performance level of his subordinates with an objective to identify their training needs, should ask himself the following questions.

Do I know the present job description of my subordinate?

Do I know the problems faced by my subordinate in performing this job and how he deals with them?

Do I know his strengths and weaknesses in relation to the job performed by him?

Do I know how he deals with his subordinates and colleagues?

Do I know his potential in relation to organizational needs?

Have I kept in view the above – mentioned factors while recommending suitable training for my subordinates?

If a manager finds that answers to all the above-mentioned questions are in the affirmative he would be in a position to provide reliable data in identifying training needs. However, such bosses are rather difficult to find in real life. The need identification exercise is generally done by bosses on an ad-hoc basis. Comments like the following are usually found on the Training Form.

“Improve that some sort of training be made available”

“Exposure to newer fields by change of job”

“Very little can be suggested”

“No need in view of the specialized job”

“Exposure aimed at making him more demanding in terms of

- a) Results of his own efforts                      b) results from subordinates”

“He has been declared surplus. No training and development plan has therefore been drawn for him”.

Such comments speak poorly of the boss. The need identification exercise can best be done by the boss in consultation with the subordinate. It should also be examined whether training is the best instrument available to achieve the desired change. It is quite possible that training is not likely to produce the desired results. In such cases training should not be recommended and other methods found out for achieving the desired result.

Many a time, managers are nominated for training programmes not as a result of their identified needs, but because they can be spared for that period. Thus you find some managers with the designation “Officer on Special Duty” attending one training programme after the other, whereas the manager who is in need of training cannot avail of it due to the exigencies of work. This happens when need identification has not been done properly or when line managers have no real faith in training.

Manager sources for Training & Development needs of individuals are performance appraisal, career plans and system introduction/improvement.

#### **16.6.1. Performance Appraisal**

In the performance appraisal system there is scope to identify the difference between the organization's expectations and the individual's performance. Areas relating to knowledge, skill, attitude and behaviour on the job which need change can be specifically assessed in the system. The identification comes from the employee himself or out of a discussion between the employee and his superior who prepares the appraisal.

Some organizations do the exercise of identifying training needs of managers in a systematic way. Generally, training need identification forms a part of Management Appraisal System. For example, two such forms are reproduced at the end of this chapter (annexure). The first is from a large public sector company and the second from a professionally managed company in the private sector. The needs identified are then collated and suitable training programmes designed to meet identified needs for different groups of managers.

#### **16.6.2. Career Plans (Job Enrichment/Enlargement. Transfer, Promotion)**

Based on the advance information made available about changes in content/context of the job of an individual, the training manager organizes suitable inputs to prepare the individual for the change. The details of inputs to be given to the individual emerge from discussions the Training Manager has with the concerned employees and his superiors, both present and future.

#### **16.6.3. System Introduction**

New systems and procedures, when introduced, call for intervention from the Training and Development function. Implementation of new systems becomes much easier, if all

individuals/groups concerned are explained in advance about the change and how to make the best use of the same.

If more and more employees become aware of the functions of the Training Department, it would increase the free flow of communication between the Training Department and other employees. This would help in better identification of Training Needs.

One lacuna of the whole system is that many a time programmes are designed on the basis of what can be given by the training department or training manager rather than what is really needed by managers in the organization. For example, if the training manager had a background in marketing he will try to conduct training programmes in the field of marketing ignoring other areas like Human Behavior in Organization which may be the real need. Can there be somebody to oversee the training function?

#### **16.6.4. Apex Body**

Some companies have experimented with an Apex body like Corporate Training Committee or Corporate Management Development Committee. Such Committees are generally headed by either the Chief Executive or the Chief of Personnel and has assists members most of the senior line managers to ensure their commitment to the training function. This also facilitates discussion of organizational problems or plans, which might need assistance from the training function. For example, any plan of new technology important, may require training of existing personnel for smooth absorption of the new technology. The experience of one company which adopted this approach is worth narrating. The details are given below.

#### **16.6.5. The Company**

The company is a highly diversified and strongly divisionalised manufacturing and marketing company in the private sector having more than 9000 employees spread all over the country.

**a) Constitution of the Committee:**

Chief of Personnel as Chairman  
Manpower Development Manager as Member-Secretary  
Zonal Manager/Divisional Managers/ Plant Managers as members

**b) Role of the Committee:**

- a) Enhance Commitment to and the practice of the basic approach as mentioned below throughout the organization.
- b) Identify and get acceptance of corporate training needs.
- c) Identify other management development tools appropriate to the organization.
- d) Review of corporate management development activities

**This committee decided the basic approach for management development in the company in the following words:**

- a) Management Development should aim at individual excellence collectively channelized towards performance for Corporate Profit and Growth.

- b) Development is synonymous with self development and growth is nurtured by proper managerial style.
- c) Organization development interventions are required to enhance the process of development.
- d) An appropriate organization structure is essential for performance, accountability and growth for each job holder.

The committee also came out with the Corporate Training Plan, which had three major parts as given below:

**i) Corporate Core Programmes:** Having regard to the multifarious activities of the organization and in the light of experience gained so far, it was decided by the Management Development Committee to conduct the following Corporate Core Programmes:

	<b>Title</b>	<b>For</b>
i)	Personal Effectiveness	Management Staff
ii)	Commercial Aspects of Business	Management Staff
iii)	Supervisory Development	Supervisory Staff

The term “core” is indicating that these programmes would be extended to everybody in the management and supervisory cadres.

**ii) Supportive Corporate Programme:** Keeping in view the immediate divisional plans, certain supportive corporate programmes have been planned. These programmes will be attended by person engaged in the relevant functions on the bases of identified needs.

**Examples:**

- Project Management
- Marketing Management
- Production Management
- Strategic Business Planning – Going Beyond Financial Budgeting
- General Management
- Induction Programme for Management Trainees (Engineers)
- Office Methods & Procedures
- Programme for Salesman
- Programme for Service mechanics

**iii) Divisional Programmes:** In order to impart specialized knowledge and skills relevant of each Division, training programmes, as suggested by Division/Department, will be conducted. These will be attended by the staff of the respective Divisions purely on the basis of the identified needs. These programmes will be conducted by Divisions in association with Manpower Development Department.

**Examples:**

Divison/Dept./Plant	Programme
Consumer Products	Salesman's skills Field Management Seminar
Electronic Data Processing Industrial Relations Managers	Pascal Programming Language Data Base Management Systems Familiarization with Company's IR Philosophy for Regional Personnel
Central Accounts	Application of Computer Systems
Research & Development	Value Engineering
Manufacturing Plant	Electronics, Electronic Controls, their uses and programming Material Handling & Automation Hydraulic Circuits Pneumatic Circuits Electrical Circuits Welding CO2/Submerged arc Copperfusion Welding by Oxy. Acetylene Process Gas & Electric Arc Welding

Apart from the above training programmes, Induction/Review Programmes for newly recruited Management Trainees will also be conducted.

**Nominations:**

While core programmes were for all employees belonging to a particular cadre, nominations to supportive programmes were decided on the basis of a Training and Development Plan, for each appraise, which was an integral part of the Management Appraisal System. The identification of Divisional/Departmental programmes was made by the respective Divisional / Departmental Managers. Nominations to such programmes were also made directly by them. The training department gave only infrastructural support in conducting these programmes.

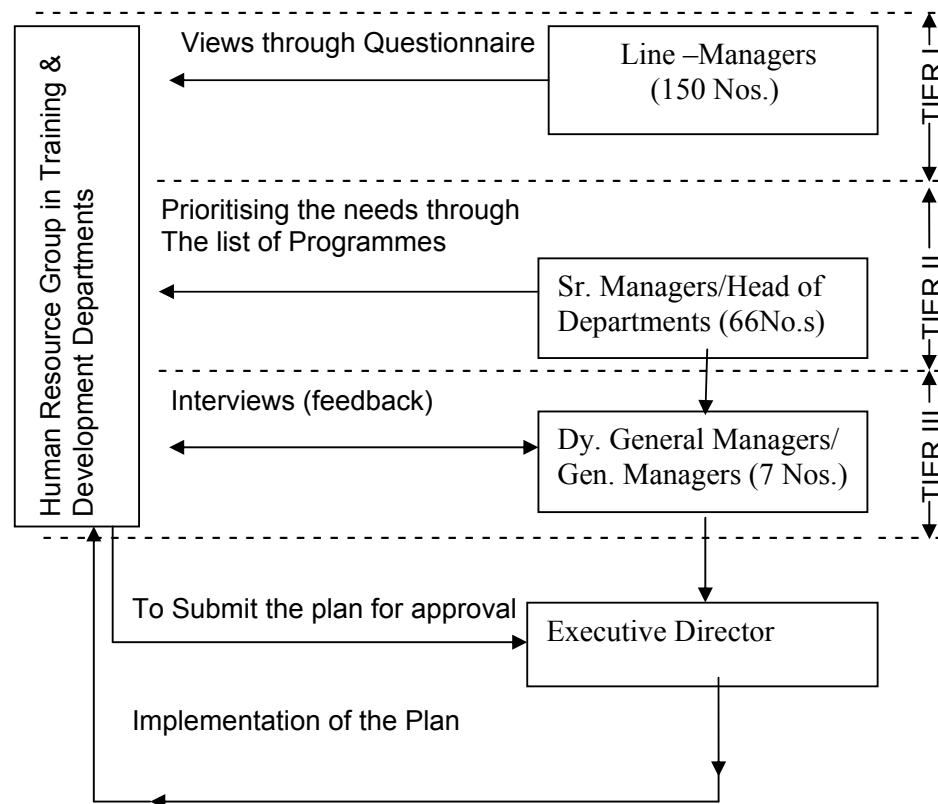
**16.7. Model of 3-Tier Training Needs Survey**

One large organization developed a 3-tier training need survey to identify training needs of employees at different levels. The model is described below:

**Tier 1:** Identifying problems of various categories of employees by line managers through questionnaire.

**Tier II:** Prioritising the various training areas for different categories of employees by Senior Managers and heads of Departments.

**Tier III:** Based on the findings from the above two tiers, conducting interviews with the Deputy General Managers and General Managers to get their feedback.



3-tiers of the proposed survey can be described as follows:

### 16.7.1. Objectives

The survey was taken up with the following four basic objectives:

- To identify problems of line mangers which may be overcome with the help of training?
- To enhance the effectiveness of present training programmes vis-à-vis identified problems.
- To identify training needs of the employees in the division.
- To involve line managers by initiating the process of participative management in the training function.

### 16.7.2. Methodology

**Tier I:** A questionnaire consisting of six questions was designed and circulated to a random sample of 150 line managers from various departments in order to find out answers to the following questions.

- What are the burning problems in the department?



- (b) What are the training needs of different categories of employees in the department?
- (c) What are the perceptions of line managers about the effectiveness of programmes presently organized by the Training and Development Department?
- (d) What are the expectations of line managers from the Training and Development Department?

**Tier II:** A list of various training areas/programmes was compiled and circulated to 66 Senior Managers/Heads of Departments. The programmes were classified under the following 5 heads:

- (a) General Management Programmes
- (b) Behavioural Science Oriented Programmes
- (c) Technique Oriented Programmes
- (d) Functional Management Programmes
- (e) Skill Development Programmes

The respondents were asked to indicate the priorities 1 to 5 under each subject for each category of employees.

**Tier II:** Detailed Personal discussions were held individually with the seven Deputy General Managers by Training and Development Managers and his deputies so as to

- (a) Obtain their views / perceptions / suggestions about the training needs.
- (b) To get validation of the data / views expressed in the earlier two tiers.
- (c) To initiate the process of involvement of the line as well as top management.

### 16.7.3. Findings

**Tier I:** The response to questionnaires was not very encouraging. This is a normal phenomenon. Based on responses, line managers identified some of the common problems for different categories of employees as given below:

Among Executives	Among Supervisors	Among Artisans
Lack of Leader Ship	Lack of team	Low productivity
Lack of role clarity	Lack of responsibility	Absenteeism
Lack of initiative	Poor Planning	Lack of Quality consciousness
Lack of interpersonal and analytical skills	Poor decision making	Lack of interest
Lack of sensitivity to the needs of departments	Lack of knowledge about the administrative and disciplinary procedures	Lack of skills to do the job

Based on the above problems, line managers identified the training need of their employees. The category wise priorities of the training needs were also determined.

**Tier II:** Here the response to the questionnaire was much better. The information received was compiled to find out priorities for different programmes.

**Tier III:** Personal discussions were held with Deputy General Managers, Senior Managers of Production, Finance and Marketing departments. Findings from the earlier two tiers were also presented to them. Their views were mostly in line with views of Senior Managers in Tier II. They frankly expressed their views and priorities. Their emphasis was on methodology. They stressed the importance of workshop type exercise so that such forums could be used to generate solutions to problems within the organization.

The summary findings were discussed detail in the personnel department. Some programmes were designed around real organizational problems. In some other programmes, application of concepts and innovative ideas was sought to be applied through project work. Actual problems were discussed in the form of case studies. The cooperation of line managers was obtained by designation some of them as Programme Directors and by involving them in identifying participants for different programmes. This method resulted in increasing the credibility, acceptance and involvement of line managers in this company's training programs.

## 16.8. Questionnaire Method

The need identification exercise in the above two cases have been done on a company-wide basis. However, there may be occasions when the training need identification exercise has to be done for a particular group of employees. In instances where the target group is large, a questionnaire is used for identification of training needs. When the group is small, personal interviews will be the best method of identifying training needs.

A large company did a comprehensive exercise in identifying training needs of newly promoted Management Staff from among Supervisory Staff ( their number was as large as 70). The questionnaire was sent both to the newly promoted management staff and his immediate supervisor. The purpose of sending the questionnaire separately was to finalize the needs as objectively as possible by comparing two sets of answers. The questionnaire was divided to different functional areas like Marketing, Materials, Financial Management, Commercial Operations, Production Management, Personnel Management and Productivity Techniques. Each functional area was further broken up into different subheads e.g.

### MARKETING

Marketing –General	Market Survey
Demand Forecasting	Advertising/Publicity/PR
Distribution	Sales Training
Warehousing	International Marketing

In order to obtain proprieties among the needs identified a question was asked whether there was great need, some need or none with respect to each subhead. Definitions and descriptions of the terms used were also incorporated for better understanding and avoiding

any confusion in completing the questionnaire. The questionnaire also had one part to determine the objective to be achieved if the training needs were met. The weightage given for "great need", "some need", and "none need" was 2, 1 and 0 respectively. The demand for each subject was then assessed by multiplying the needs under each column with the respective score. This exercise also gave an indication of the time to be allotted for each session. Based on this analysis, a three-week programme was designed and conducted by this company.

## 16.9. Interview Method

In the absence of appraisal systems which identify training needs, the interview method is used with a view to determining training requirements. Through this exercise the interviewer can probe, question and clarify views directly from the individual manager before finalizing his training need.

A person from the training department or an outsider can carry out a specific assignment in identifying training needs of management staff. This can be done in small and medium-sized organizations or even in large organizations on a divisional basis.

The interviewer has to initially study the job descriptions and be aware of the role of individual managers. He also must be familiar with the systems and procedures in operation. Armed with this information he has personal discussions with all management staff, whose training needs are to be identified. Questions have to be oriented to probe the weaknesses and strengths of individuals, opportunities available to overcome these and inputs expected from the Training Department.

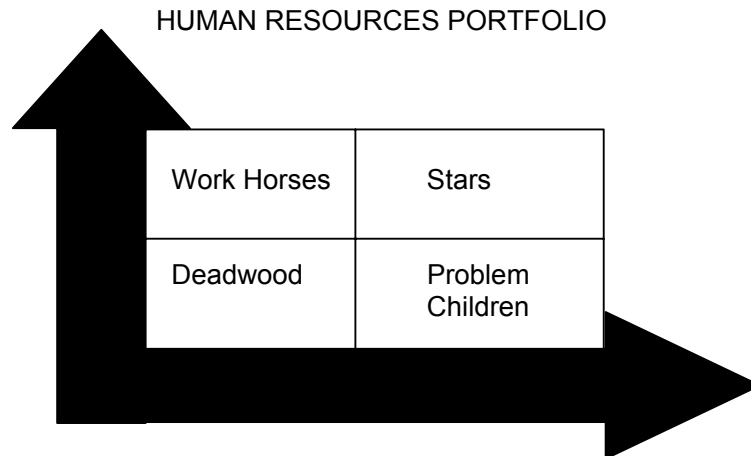
The interviewer must clearly distinguish between training needs of immediate nature to improve present performance and development needs pertaining to the potential for growth in individuals.

The process must commence with a detailed discussion with the departmental/division heads to determine the parameters of the study and also to get their view on training needs of departments/divisions as a whole. The interviewer then commences with informal discussions and interviews with managers down the line and moves upward to senior positions to obtain each manager's personal training needs. The training needs thus identified will be those of individual managers and not of their subordinates or peers.

The last interview is held again with the departmental/divisional managers to discuss and confirm the findings of the study and draw plans for actions.

## 16.10. Classifying Employees

Dr. George S. Odiorne, professor of management and former Dean of the School of Business Administration at the University of Massachusetts, Amherst, had developed an useful and prescriptive strategy for assessing the human resources of the firm. He has done this on lines of the famous portfolio analysis. The dimensions of the human resources portfolio matrix have the same form as for product and market portfolio, except that the two dimensions comprising grid are related to the important aspects of human performance and potential.



Job performance refers to the actual achievements of the individual compared with the objectives of the job. Potential refers to the likelihood of the job holder making a future contribution to the employing organization. The two-by-two grid four types of employees.

- a) **Deadwood:** Employees under this category are incompetent, unsatisfactory and wholly unsuitable occupants of their present positions. They have low potential for growth.
- b) **Work Horse:** These are the people who have reached their peak of performance in the light of definitely limited capacity. 79% of more than 1500 managers in Dr.Odiornor's study were found to be in this category by their assessors.
- c) **Stars:** These are the people of high potential who are performing at the highest quadrant of their potential. 15% of managers assessed in the same study were positioned in this category.
- d) **Problem Children:** These are people who have great potential and genuine capacities who are working below that capacity or only with mixed results. In some instances they divert their energies to making mischief, engaging in harmful actions, or it being too easily diverted into wasteful uses of their talents.

### 16.11. Training Efforts

Should training efforts be dispersed or be concentrated on some selected categories of employees? Resource for training being a limitation, it will be advisable to concentrate developmental activities on certain categories to get the best results. It is obvious the problem children will get first priority. Trainers should remember that it is better to concentrate on a few and show visible results than to take everybody in the "training net" without any visible results.

### 16.12. Summary

Need identification exercise must continue on a regular basis. It cannot be done once in a blue moon. Many companies have got the good systems of identifying needs every year. However, need identification exercise can do real harm if the needs are not met by conducting suitable training programmes. Managers must receive that their recommendations receive due

considerations and actions are initiated to satisfy felt needs. Only then, they will take this exercise seriously.

Considering the Officer's areas of strengths and the areas where improvement is needed, what specific training would you recommend? (These recommendations should be proposed in consultation with the Officer and keeping in view his own perception of the training needed by him. This may not be restricted to only courses or programmes being conducted by the Training Centre). There are two types of training needs: namely "Staple Functional' Training which is required by him to do his job well and 'Development Training' which would be useful for his further development (so that they can shoulder higher responsibilities in due course of time). The nominations for external training programmes can be proposed where in-company training programmes are not available, and keeping the organizational needs in view.

### 16.13. Self Assessment Questions

1. How do you identify the training needs of enterprises?
2. What are the steps involved in training needs assessment process?
3. What are the factors influence the training need identification?
4. What are the outcomes of training need identification? Discuss.
5. What is the role of need analysis in training? Do you think that all training programs are based on such analysis?

### 16.14. Further Readings

- 1 Subba Rao P and V S P Rao, "Personnel/Human Resources Management". Konark Pub.Co.Ltd., Delhi, 1996.
- 2 Rolf P Lynton and Udai Pareek, "Training for Development", Vistaar Publications, New Delhi, 1980.
- 3 Sah A K, "Training and Development", Sterling Publishers Private Ltd., New Delhi, 1991.
- 4 Udai Pareek and T V Rao, "Designing and Managing of Human Resource Systems". Oxford & IBH Pub. Co. Ltd., New Delhi, 1981.
- 5 Ramaswamin N, " A Hand-book of Training & Development", T R Publications Private Ltd., Madras, 1992.
- 6 Leonaard Nadier, "Corporate Human Resource Development" ASTD and Van Nostrand Reinhold Co. Ltd., New York, 1980.
- 7 T V Rao & D F Periera, "Recent Experiences in HRD", Oxford & IBH Pub. Co. Pvt. LTd., Delhi, 1986.

**Dr. M.Trimurthi Rao**

**Lesson 17:**

# Designing and Organizing Training and Development Programmes

**Learning Objectives:**

After going through this lesson, you should be able to

- Study the important steps involved in designing T & D programs
- Know the tolls required for designing and implementation of T & D programme
- Visualize the implementation of training programmes for organizational effectiveness
- Understand the qualities of effective T & D programme

**Structure of the Lesson:**

- 17.1 Introduction**
- 17.2 Framework for Training Needs Assessment**
- 17.3 Components of the levels of analysis perspective**
- 17.4 Classification of needs**
- 17.5 Basic approach to training need identification**
- 17.6 Training need identification process**
- 17.7 Model of 3-Tier Training Needs Survey**
- 17.8 Questionnaire Method**
- 17.9 Interview Method**
- 17.10 Classifying Employees**
- 17.11 Training Efforts**
- 17.12 Summary**
- 17.13 Self Assessment Questions**
- 17.14 Further Readings**

**17. 1. Introduction:**

The identification of training needs and their assessment is no doubt a painstaking exercise and designing the activities is equally complex in nature. It also requires innovation and creativity in a T & D specialist.

The designing process is therefore generally influenced by:

- i) The competence of the T & D specialist
- ii) The facilities available in organization

- iii) The clarity in the roles and job specifications.
- iv) The organizational policies and objectives.
- v) The course contents to be covered
- vi) The learning process to be used to match the level of client participants
- vii) The level of client participants
- viii) The nature of deficiencies
- ix) The time available to implement the programme.

## **17.2. Procedure of Training & Development Programme**

The procedures are the guidelines to control and monitor any activity of the process. The procedures of training and development activities thus evolve factors to be taken care of during designing organizing and controlling these activities.

The procedures should also spell out reviewing and correcting measures as the task of T & D may need alternative strategies at some times.

### **17.2.1 Designing Process**

Before giving the shape to the T & D programme, it is essential to attempt the following carefully as a training process.

#### **Specifications**

- i) Analysis the objectives and goals
- ii) Select appropriate strategy mechanism T & D resources and Target group
- iii) Decide approach which can simulate above
- iv) Break up the objectives in skill, knowledge and attitudinal attributes desired to be developed to enable designer to design separate effective models.
- v) List out the course contents necessary to cover up each model.
- vi) Arrive at the number of sessions and events to be incorporated in the models.
- vii) Calculate or allot the duration of these events or segments depending upon the level of proficiency expected and number of sessions to be accommodated. Work out the training and development aids which will be required for each session/event.
- viii) Work out the cost of the T & D packages with possible alternatives for top management's approval.
- ix) Ensure that the packages are within the budget allotted and covers all factors which adds to its cost

### **17.2.2 Deciding Training Strategy and Session Design**

After identifying training needs and defining training objectives, training designer has to decide how these needs and objectives will be met bearing in mind relevant organizational policies, resources, time available and other constraints. The session design following each training need consists of specific training objectives in behavioural terms, selection of suitable

subject matter and sequencing its contents, selection of appropriate training techniques and aids and time.

### **17.2.3 Material Production**

Session design is followed by production of suitable training materials. This stage is very important and is concerned with the decision what knowledge and skill will be transferred to the learner suiting his learning requirements and acquisition of which will remove his deficiencies. From this point of view, suitable training materials such as literature, exercises, assignments etc., should be developed in-line with session design which provides opportunities to learner to learn required knowledge and skill.

### **17.2.4 Session Guide**

Training materials in fact are a set of messages and lessons for passing over to a learner. But how these messages will be effectively communicated by a trainer to a trainee have greater bearing on learning. Learning by doing or participating in the learning process is crucial in adult learning since it is in consonance with adult psychology. These considerations highlight the need to plan lessons or messages in logical and presentable sequences in advance with proper timing.

Planning a lesson with required instructions determining the interacting between a trainer and a trainee in class room learning situation is known as session guide. This constitutes "Training Manual for Trainer" and training programme of some duration is ready. These session guides should be tested before implementing the programme.

### **17.2.5 Implementation and Monitoring of the T & D Programme**

The training programme is then carried out over the specified target population. Implementing a training programme requires organizing and coordinating a variety of factors and functions such as arrangement of training materials, trainers, trainees, training aids and equipments, class room, physical facilities time table and monitoring of the programme. In addition, some subsidiary functions are also required to be performed which support smooth running of the programme. Such functions include administrative, financial and boarding and lodging arrangements of the trainees. Effective implementation of a training programme is the function of proper planning, organizing and coordinating of all these factors on the one hand and on the other team work of academic and administrative personnel of the training institution or department. Some other factors to be considered.

### **17.2.6 Evaluation of the Effectiveness of Training**

A successful training system is that which produces the desired result and only such system should be maintained. Therefore, measurement of the effectiveness of any training programme is of crucial importance. There may be different approaches of evaluating training. But, broadly speaking, a total evaluation system consists of two stages:

1. Evaluation of the training process which covers inputs and through puts
2. Evaluation of output or result.

Evaluation of output is done at four levels:



- i) Reaction Learning
- ii) Behavioural Change and
- iii) Result

Result in terms of application of learned behavior in the job situation and resultant benefits to organization. Evaluation report serves as feedback to modify or improve all the subsystems and the total training systems.

**a) Time:** Besides above, the packages should also take care of the time of the trainee for part time or in house training programme. Time dimension is very important in case of supervisor or managers. The workers can however, be trained prior to putting item on the actual work.

**b) Place:** The location of the training and development activity is also important so that the participants can not only come back to their families but they can also be nearer to their work place to help in exigencies.

Especially the executive/manager is the key personnel of the organization who cannot be kept away from the work place for longer time. That is why evening programmes or weekend programmes are most effective for these executives.

**c) Preference of Executive:** The executive will like to attend evening tea/dinner or weekend programmes only so that they are not away from the work place.

**d) Simulation:** In designing the programme, it is necessary to simulate the working condition along with the learning process to make it more effective.

Accordingly by the following steps are also necessary in designing the programmes:

- i) Time of Training
- ii) The place of Training
- iii) The days of Training
- iv) The complexity of programme
- v) The simulation of work conditions

**e) Size of the Programme:** Most important amongst all the consideration is the size fo the programme which can only satisfy the objective by giving proper justification to the course contents and its coverage for the real benefit to the trainees and the management.

The size of the programme is defined as:

- |                        |                         |
|------------------------|-------------------------|
| a) Few hours programme | b) Half day programme   |
| c) Full day programme  | d) Two days programme   |
| e) One week programme  | f) Four weeks programme |

### 17.3. Outlining the Programme

The outlining process enables the designer to design,

- i) The scheduling process
- ii) The conducting process
- iii) The monitoring process

- iv) The controlling criteria

### **17.3.1 Some Guide Lines**

- a) Avoid too much theories and class room instructions.
- b) Avoid having lengthy sessions (not more than 90 minutes).
- c) Avoid lecture session just after the lunch session.
- d) Avoid course material reading during the session.
- e) Use demonstrative session or visit in the afternoon.
- f) Generate motivation and interest in the learning process.
- g) Facilitate self learning process
- h) Insert light sessions between theory sessions.
- i) Try to use role play in basket exercise or case method as much as possible.
- j) Facilitate overcoming the operational constraints.
- k) Try to insert self assessment tests in the design for introspection
- l) Try to design exercises to evaluate group dynamics
- m) Try to incorporate games to develop interpersonal dependence.
- n) Emphasis trust, mutual respect and openness during learning process.

## **17.4. Formulation of Learning Process**

To make the learning process more effective, well tested principles of learning should be used. In Zen, Buddhism the Master tells "First empty your cup then I will pour the Tea". Kur Lewins three stage learning process also illustrates some principles:

- a) Freezing    b) Moving    c) Unfreezing

The unfreezing in training is like ploughing fir agriculture.

Similarly as the seeding and plantation stage require skill and substantive events like experimenting, trail error satisfy the need to move.

Finally the design should fit in the new knowledge, sill and behavior in the training situations into personal and organizational patterns of routine day to day work and living i.e. refreezing the learning.

These stages can be introduced in the opening sessions and informal contacts during tea and lunch sessions. Inaugural function and exclusive session for simulating the working condition can also be very useful.

The initiation process is very much sensitive which can either inspire the participant to take it seriously or to reject at day one only. As such the primary function of the opening session is to create interest and then to orient them away from the routines towards the training programme. The objective of the routines towards and expectations of the organization are to be so presented that should bring home the necessity of the programme and the participants willingness to make it successful.

## **17.5. Group Norms Designing**

In a programme the events should be so designed that they reflect on the social dimensions of the learning as one can learn faster when he feels the approval of the others.

Therefore facilitating the group norms in the designing make the programme more fruitful. The group forming also helps in learning the leadership traits and enables the participants to know how their opinions when sometimes differ from the others, can be evaluated and corrected for the group effectiveness.

Such events also helps the trainer to watch the individual behavior and that of the group and such training laboratory can help him set new norms and techniques to make his programme more effective.

This event in the programme design provides the opportunity of the practicing effective decision making and personal preferences.

## **17.6. Designing Course Contents**

The above studies can enables the designer to divide the whole programme into groups and sub groups according to the a) knowledge b) skill c) attitude of the trainee and the availability of place and experience. The flexibility is however maintainer to accommodate the variations between participants of one group and the successive groups coming for the same programme.

Some guide lines: The well designed programme should contain the following:

- 1) Objective of the programme
- 2) Course titles of the groups and subgroups
- 3) Deficiencies of the TARGET group
- 4) Expectations from the TARGET group
- 5) Description of the performance to be achieved
- 6) Description of the course design
- 7) Learning process to be considered
- 8) Time scheduling of the programme
- 9) Allocation of faculty and training aids
- 10) Training & Development methodology
- 11) Total package cost & cost effective measures
- 12) Nature of programme i.e., full time, part time, one day, one week, four weeks etc,
- 13) Follow up procedures and monitoring systems.
- 14) Evaluation/Appraisal criteria
- 15) Feed back to be recorded

## **17.7. Time Dimension**

Time dimension is most crucial of all others in today's fast moving world. Time dimensions are designed on the basis of (a) level of the trainee and their availability (b) size of the course and (c) the nature of training.

The programme is to be scheduled by giving sufficient time to justify the implementation of programme. The time table should be designed keeping in view the guide lines for sequencing programme and the choice of learning process.

Sometimes it is advisable for a T & D specialist to consult the executives to design and use this dimension to suit their convenience.

### **17.7.1 Detailing the Syllabus**

Once the course contents and the time dimensions are decided the next task of the designer is to work out the detailed syllabus to provide practice, opportunity to think and talk about the programme contents.

In short it should cover all that can be talked about for the level in acquisition and the roles and responsibilities that are expected to perform the task.

### **17.7.2 Imparting Evaluation Process**

To measure the participant's performance during the T & D activities concurrent evaluation can be carried out (i) to measure the participant's progress towards training object and (ii) to provide the syllabus for regular progress review session.

Even at the end of achievement it is expected that the participant has been developed to know 'X' to do 'Y' effectively.

The evaluation process can be imparted in the design of the programme in the following manner:

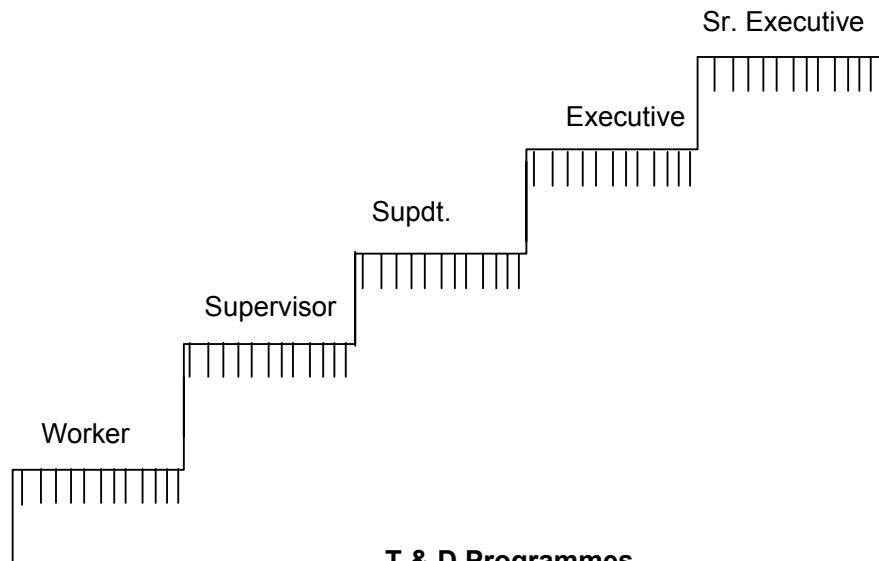
- 1) Incorporating exercises to assess the individual and the group
- 2) Assuring consistency of improvement
- 3) Recording feedback for next programme
- 4) Defining the change in behavior on the job and the changes observed after completion of the programme.
- 5) Collecting bench mark data against which the participant performance can be measured.

## **17.8. Conducting Training and Development Programmes**

The training and development plans are aimed at developing talent to perform effectively in the present and future higher level or more challenging work situations. The process is to develop competence to handle series of challenging situations.

Every Human being has an urge to reach to the top. Successful organizations plan to guide them to their growth. A systematic approach to progress in the career plans or to attain capabilities is a training and development process.

If we look at the ladder below, we find that worker gains the proficiency and becomes a supervisor learns to develop managerial capabilities, a manager strives for higher level and so on.



### T & D Programmes

The T & D activities are the techniques of enhancing on the human capital whose potential is much more than any other resources in the organization. Therefore, a variety of T & D methods are used to harvest maximum from available human resources.

Mainly the following are the T & D programmes:

1. Basic Training at Professional Institutions
  - a) Trade apprentice at ITI or Trade Schools
  - b) Diploma/Degree at Polytechnic & Engineering colleges.
  - c) Management education at Post Graduate level or practice oriented certificate examinations.
2. In-Service Training and Development
  - a) Familiarization or initial training programmes
  - b) Apprentice training (in house)
  - c) On the job training (OJT)
3. Special Training and Development Programmes
  - a) Special cadre development programme
  - b) Gross-root level T & D programmes
  - c) Technology transfer training programme
4. Management Development Programme
  - a) Supervisory development programme
  - b) Top and middle managerial development programmes
  - c) OD and MBO programmes etc.

#### 17.8.1 Basic Training at Professional Institutions

Technology oriented training is imparted at these institutions. There are many craft centers and schools which provide technical, professional training for wood working, tailoring, gardening, sculpture workshop training etc. besides Ideal Training Institutes in various district

levels. Polytechnic and Engineering colleges train technical middle managers, supervisors equipped with basic theory and reasonable practical experiences.

Concept of HRD has also popularized the management courses being conducted by various management institutions. The professional managers coming out from such institutions are better decision makers and interpersonal relationship developers. Such institutions are also doing research and development in behavioural science to equip the managers with more modern techniques of optimizing Human resources.

**In-service Training and Development:** - Every organization in one form or other runs familiarization or initial training programmes of new entrants, on the job training programmes for new as well as old employees and apprentice programmes for workers etc. Some organizations even have a separate Training and Development institutions or workshop.

The duration of this training can be few weeks, a couple of months depending upon the knowledge skills to be imparted to the trainees.

**Such programmes can have two phases:**

1. General Education or work Familiarization
2. On the job training as the fresh employees may not have the experience of the machine or work?

**Apprentice Training:**

This is also for the new employees and hence both the above phases of the training and development programmes are there. The duration of these programmes will however be three months to 18 months depending upon the technology type and size of organization and training and development facilities available in the organization.

## 17.9. Special T & D Programmes

The process of HRD includes the development of all levels of employees. However the work force (sensitive group) supervisor (line managers) managers and training and development resources requires special attributes. As such special training and development programmes are designed for their specific needs.

These can be classified as below:

1. Programme for Workers
2. Programme for Supervisors
3. Programme for Managers/Executives
4. Programme for T & D Specialists
5. Programme for Entrepreneur Development
6. Programme for Planner & Development
7. Programme for Private Secretaries
8. Programme for Secretarial Staff
9. Programme for Telephone Operators
10. Programme for Public Relation Officers

Apart from above there are programmes depending upon required special skill or behavioural change such as:

1. Programme of finance for non-finance executives

2. Programme on Computer awareness
3. Programme on Self-learning
4. Programme on group dynamics
5. Programme on traditional skills-sales, production, quality, office management etc
6. Programme on family planning strategies
7. Programme on social forestry
8. Programme on health and hygiene and so on.

There is no limit to special training and development programmes as it is a vast field and everyone needs T & D programmes for self or the group improvement. However, in this chapter we are only discussing the design and implementation of programmes for workers, supervisors and managers.

## **17.10. Organizing Training and Development Programmes**

Conducting a training programme requires considerable effort and coordination. Many organizations have experimented with having a Programme Director to look after a particular programme from the beginning to the end. Some organizations have also experimented with having a Programme Director from the line department to get their support and commitment. For example, a programme on "Working Capital Management" can have the Finance Controller as the Programme Director. Necessary administrative support, however, can be provided by the Programme Coordinator from the training department. Much of the success of the Training Programme will depend on the Programme Coordinator, whose role is quite vital. They should bear in mind the following points to ensure the success of the training programme.

### **17.10.1 The Trainer**

Choice of faculty is critical to the success of any training programme. The coordinator must ensure that the selected trainer has the necessary general, technical and specialized knowledge of the subject, this his experience and skills are reflected in handling the working sessions, adapting his training style, using various training techniques and generating interest in the subject being dealt with and that he possesses the personality characteristics and attitudes such as openness to new ideas, observation powers, a questioning mind and willingness to experiment.

All good managers are not necessarily good trainers. It is also not necessary for the person with a superior knowledge of a particular topic to be a good trainer for the topic. A preference should, therefore, be given to a person able to put across the particular message and concepts involved. It would also be a good investment to develop managers with an aptitude for training and a good working knowledge to form a core faculty. A list of standby trainers can also be kept, who can be called upon at short notice should there be a last minute drop out falling which the director or programme should be capable of filling in himself with minor changes in the agenda.

### **17.10.2 The Trainees**

It should be ensured that the trainees have the necessary background, experience, intellectual and physical capacities, diagnostic and application skills and personality characteristics required. Above all, care should be taken to see that the trainees form a fairly homogenous group with respect to their past experience; knowledge and potential for learning

so as to avoid too much disparity in the group. Particular handicaps of participants should be intimated to the trainer.

### **17.10.3 The Curriculum**

The curriculum should be designed for the optimal utilization of resources available towards the achievement of the programme objectives. One should, therefore, ensure the relevance of the curriculum to the trainee in respect of its degree of complexity or suitability to the trainee's level and the job to be performed by him.

### **17.10.4 The Training Material**

Care should be taken to ensure the relevance and suitability of training material and the media of presentation to the subject under consideration. Write ups or standard handouts for a particular topic should be suitably indexed to avoid duplication of effort. If handouts are to be distributed to participants; it should be determined whether it is optimal for them to be distributed prior to the session to facilitate some degree of familiarity or preparation of during the session or subsequently.

### **17.10.5 The Methods & Techniques**

The training method and techniques should contribute to maintaining interest and high degree of participation and are capable of inducing a transfer of knowledge and skills.

Though, as previously mentioned, certain methods of presentation are best suited to the discussion of a particular topic, it is advisable to tailor the methods to the personal preference of the trainer to facilitate his comfort with that particular method of presentation.

### **17.10.6 The Timing and Sequencing**

It should be ensured that the timing and sequencing of sessions are suitable with regard to the training objectives that they are done depending upon the quantity of material to be covered, the availability of trainers and trainees and the content of the programme. Ideally, a session should not extend beyond a duration of 1 ½ hours. The optimal number of sessions in a day would be around four. Residential programmes could, however, incorporate an additional session in the evening before dinner.

### **17.10.7 The Location**

In selecting a venue for training the adequacy of the room ventilation, relative freedom from noise and disturbances and overall comfort should be sought. For large classes, a U-shaped seating arrangement (Harvard Style) with the instructor at the lowest elevation is advisable. Use of a podium should be allowed depending on the personal preference of the instructor. It should be ensured that the location is worth the cost and that the surroundings are adequate to create a training environment.

### **17.10.8 The Physical Facilities and Training Equipment**

The availability of certain basic facilities e.g. overhead projector should be ensured. As a large number of activities have to be coordinated, it is advisable that the Programmes Coordinator keeps a checklist for an effective follow-up. A suggested checklist is given below:



**Check list – Internal Training Programme**

<b>Item note</b>	<b>Due Date</b>	<b>Remarks</b>	<b>Special point to</b>
1. Date of the Programme			
2. Course approval (When nec.)			
3. Last dt. For receipt of nom.			
4. Programme			
		- Preparation	
		- Printing	
		- Distribution	
5. Enrolment		- Circular	
		- Receipt	
		- Reminders	
6. Speakers		- Selection	
		- Confirmation	
		- Reminders	
7. Handouts		- Draft preparation	
		- Printing	
		- Booking	
		- Confirmation	
8. Accommodation ( including food, drinks)			
9. Teaching equipment		- Pens	
		- Pads	
		- Name cards	
		- Felt pens	
		- Flip charts	
Post Trg. Work			
1. Faculty		- Payment	
		Thank you note	
2. Evaluation Processing			

**17.11. Summary**

The effectiveness of the programme depends on the design and conducting process. The basic approach to design the T & D programme can be summarized as:

Step 1 Define the training objectives clearly based in TNI

Step 2 Analyze the objective and break them up into skill, knowledge and attitude levels as per the expectation of the organization

Step 3 Divide this breakup into the groups and subgroups depending upon the performance levels desired

Step 4 Study the size of the target group experience & education level to form harmonious groups

Step 5 Design the course contents in accordance to step 2 & 3

Step 6 Select the learning process, training techniques, place of training and resources etc.

Step 7 Give suitable time dimension to justify the course contents

Step 8 Impart the evaluation process in it

### **17.12. Self Assessment Questions**

1. What are the major steps in designing of a training and development programme? Describe the steps in detail.
2. How can implement the training programme in your organization
3. Designed new executive training programme for your organizations newly recruited executives
4. What are the contents and instruments required for designing and conduction of effective training and development programme?
5. Designing a training programme challenging task to the HRD Manager comment.

### **17.13. Further Readings**

- 1 Subba Rao P and V S P Rao, "Personnel/Human Resources Management". Konark Pub.Co.Ltd., Delhi, 1996.
- 2 Rolf P Lynton and Udai Pareek, "Training for Development", Vistaar Publications, New Delhi, 1980.
- 3 Sah A K, "Training and Development", Sterling Publishers Private Ltd., New Delhi,. 1991.
- 4 Udai Pareek and T V Rao, "Designing and Managing of Human Resource Systems". Oxford & IBH Pub. Co. Ltd., New Delhi, 1981.
- 5 Ramaswamin N, " A Hand-book of Training & Development", T R Publications Private Ltd., Madras, 1992.
- 6 Le Leonard Nadier, "Corporate Human Resource Development" ASTD and Van Nostrand Reinhold Co. Ltd., New York, 1980.
- 7 T V Rao & D F Periera, "Recent Experiences in HRD", Oxford & IBH Pub. Co. Pvt. LTd., Delhi, 1986.

**Dr. M.Trimurthi Rao**

**Lesson 18:****Management Development****Learning Objectives:**

After going through this lesson, you should be able to

- Understand the concept of Management Development
- Know the objectives and principles of Management Development
- Study the different methods of Management Development
- Visualize the electronic management development programmes

**Lesson Structure:****18.1. Introduction****18.2. Concept of Management Development****18.3. Objectives of Management Development****18.4. Need for Management Development Programme****18.5. Principles of Management Development****18.6. New Concepts of Training****18.7. Methods of Management Development****18.8. Selection of Techniques****18.9. Electronic MDPS****18.10. Evaluation of Management Development Programmes****18.11. Summary****18.12. Self Assessment Questions****18.13. Further Readings****18. 1. Introduction**

Management Development is an activity designed to improve the performance of existing managers, provide a supply of managers to meet the need of organizations in future and extend the understanding of the management activity by drawing from the following three resource areas:

- a) Knowledge, skills and teaching abilities manifested by the academic world.
- b) Experience, expertise and resources provided by the organization within which the trainee operates.
- c) Trainee himself.

Any Management Development Programme should have five-objectives

- a) To improve the job performance of managers currently in post.
- b) To provide adequate 'cover' in the event of unexpected short-term changes such as deaths, transfers, resignations or unanticipated developments.
- c) To raise the general level of management thinking and understanding in all branches and at all levels in the organization.
- d) To provide supply of managerial talent which will meet the anticipated needs of the future development of the organization in terms of environmental change and growth?
- e) To extend the frontiers of knowledge in the understanding of the management function.

## 18.2. Concept of Management Development

Management development is a systematic process of growth and development by which the managers develop their abilities to manage. So, it is the result of not only participation in formal courses of instruction but also of actual job experience. It is concerned with improving the performance of the managers by giving them opportunities for growth and development, which in turn depends on organization structure of the company.

If the Management Development Programme is to fulfill these five objectives it must call upon the entire range of resources of the organization. Commitment and understanding is demanded from top management and cooperation in imparting knowledge and skill from Senior and Middle Managers. An eagerness to learn at all level is a prerequisite for the success of management development programmes. Education, training and personal development are all parts of the pattern of Management Development leading to an organization-wide atmosphere of learning in which everybody has a part to play. This is what the Japanese do. They have a lifelong commitment to training and development starting from top to bottom. Unlike top managers in Indian who consider themselves beyond training, those in Japan take pride in attending training programmes in the areas where they feel they need some training. It is not surprising to find a Japanese Chief Executive sitting beside a worker learning intricacies of welding technology in class room. May be this is one reason for the phenomenal growth of the Japanese economy.

Training and Management Development activities are receiving a great deal of emphasis in Organizations. There are several reasons for this growing emphasis:

1. Rapid technological developments have made it necessary for managers to update their knowledge and skills. For example, in the area of computer applications and information systems, many managers are apprehensive and relatively uninformed. Training programmes to familiarize them with the use of computers are required.
2. Managers are often made to handle areas of responsibility that are radically different from their college specializations. For example, a graduate in English literature may have to sell consumer durables like refrigerators. This makes it necessary for the organization to provide special inputs so that his lack of formal education in a particular sphere does not become a handicap in the execution of his responsibilities.

3. There has been a basic change in the style of management in recent years. Managers have become more and more behaviourally oriented. They have now accepted the idea that they must be sensitive to the needs and aspirations of their subordinates and colleagues. Accordingly, a number of Management Development Programmes on behavioural and psychological process in organization are organized.
4. The entry of so called “backward” and “underprivileged” groups into the organization has also cast a special responsibility on Training professionals. Some people selected from such groups may require supportive educational and professional inputs to help them perform on par the colleagues who have not had the disadvantage of an impoverished background.
5. A college degree, moreover, only prepares a man for a career in industry; it does not provide all the knowledge and skills for performing satisfactorily in an organization. Therefore employees require additional training in order to cope successfully with their jobs.
6. Mistakes are committed sometimes in the selection process and a candidate who does not have the required capacity or training may be selected. In such cases, the organization will have to provide additional training to ensure that the person is able to meet the requirements of the job. Organizations are under tremendous pressure for survival and growth. One source of improvement is technology; the other is the human system in the organization. In view of relatively easy availability of technology, the focus is increasingly getting shifted to the human systems as the major source of improvement. Organizations understand today that the critical difference between successful and unsuccessful organizations is only in the quality of its people, continuing education and training of the human resources has therefore become vitally necessary in a competitive business environment.

### **18.2.1 Role of the organization**

“The role of the company in management development is to establish the programme and the development opportunities for its present and potential managers”.

“Executives development is eventually something that the executive has to attain himself. But he will do this much better if he is given encouragement, guidance and opportunity by his company”.

### **18.2.2 Who is a manager and what does he do?**

The word “Manager” has been used to mean people at different levels of hierarchy. To some, the term means only the top man at the top rank of the corporate ladder. To other, a manager is any person who supervises others. But in fact to be called a manager, one neither has to be at the top of the organization, nor should one necessarily supervise others. All those who perform all or some of the basic functions of management to some degree regularly or occasionally can be called managers. Needless to say that their actions have significant impact on the performance of the part of whole of the organization. So a scientist who keeps himself to the laboratory is as much a manager as a foreman who supervises a group of workers. Even a worker may be considered a (potential) manager for the purpose of management development, one of the objectives of which is to create management succession.

### **18.2.3 Knowledge and Skills of the Manager**

Though the composition of the skills is the same for all managers of all levels, their (contents) proportion differs depending on the level at which a manager is and also, the nature

of the work he does. A foreman requires more of technical skills and human skills. He must be able to teach his men the technical aspects of the product and processes. He must also be good at human relations in order to motivate, coordinate and direct his subordinates.

The technical skills are less important whereas the conceptual skills are especially important at the top level. Human skills are important at all levels. It should also be remembered that at the same level, the skills required of a production executive differ from that of a marketing executive.

### **18.3. Objectives of Management Development**

The management development programmes are organized with a view to achieving specific objectives. They are:

- i) To overhaul the management machinery.
- ii) To improve the performance of the managers.
- iii) To give the specialists on overall view of the functions of an organization and equip them to coordinate each other's efforts effectively.
- iv) To identify persons with the required potential and prepare them for senior positions.
- v) To increase morale of the members of the management group.
- vi) To increase versatility of the management group.
- vii) To keep the executives abreast with the changes and development in their respective fields.
- viii) To create the management succession which can take over in case of contingencies?
- ix) To improve through process and analytical ability.
- x) To broaden the outlook of the executive regarding his role position and responsibilities.
- xi) To understand the conceptual issues relating to economic, social and technical areas.
- xii) To understand the problems of human relations and improve human relations skills.
- xiii) To stimulate creative thinking.

Achievement of the above stated objective is very difficult as some factors inhibit the management development process.

### **18.4. Need for Management Development Programme**

The need for management development programme arises due to the following reasons:

- i) Techno-managers like basis chemical engineers, mechanical engineers, information or systems engineers need to be developed in the areas of managerial skills, knowledge and abilities.
- ii) Efficient functioning of public utilities, transport, communications etc., depends on professionalization of management in the sectors.
- iii) Professionalization of management at all levels particularly in service organizations needs the development of managerial skills and knowledge particularly at lower and middle levels.

- iv) Transmission of communist/socialistic societies into capitalistic economies changes the structure of the principles of business. These changes along the liberalization, privatization and globalization of business changed the principle. Hence, development of the present managers in these new principles/areas is highly necessary.
- v) Human resources development arises due to providing technical skills and conceptual skills to nontechnical managers and managerial skills and conceptual skills to technical managers.
- vi) The need for management development arises due to providing technical skills and conceptual skills to nontechnical managers and managerial skills and conceptual skills to technical managers.
- vii) The intensive competition and consequently upon employment of various grand strategies by various business organizations necessitates the development of managers.
- viii) The emergence of new concepts in management like Total Quality Management, Enterprises Resources Planning, and Business Process Re-engineering Empowerment etc. necessitates the management to offer developmental programmes.
- ix) Entry of multinational and translational corporations brought new trends and strategies for the domestic companies also. These factors necessitated the domestic companies to undertake developmental programmes.

### **18.5. Principles of Management Development**

The top management of a company should follow certain principles to make the management development programmes effective. They are:

- i) The management should assess the development needs of its managers at different levels through performance analysis and development methods.
- ii) Management should decentralize the responsibility of developing the managers of different departments/unit and make the head of the department unit responsible for it.
- iii) Management should integrate career planning and development of the organization with the management development programmes.
- iv) Every manager of the organization should be motivated and empowered to take up developmental programmes.
- v) Management development programme is a continuous process.
- vi) Management should encourage the manager to take up programmes on their own in addition to the company sponsored programmes.
- vii) Management should make use of management development programmes organized by outside agencies like IIMs, XLRI etc.
- viii) The content of the programme should be need based for the individual manager and the organization.
- ix) Then physical, social and psychological climate for the programmes should be conducive.
- x) All managers should be encouraged to undergo developed programmes in order to avoid executive obsolescence.
- xi) Management development programmes should concentrate on the latest management concepts and principles.

**In common with other Management activities, Management Development can be seen as having two stages of activity:**

- (i) Making decisions – a strategic activity from which a policy emerges. These decisions are based on
  - a) The corporate plan of the organization
  - b) The manpower plan
  - c) An understanding of the learning process
  - d) An assessment of strengths, weaknesses and needs (both corporate and individual)
  - e) Knowledge of the resources available and
  - f) Clear understanding of the desire objectives
- (ii) Implementing these decisions – a tactical activity involving:
  - a) Making operational decisions
  - b) Motivating and controlling staff and
  - c) Coordinating the activities of superiors, subordinates and colleagues

In short, achieving the results and objectives designated at the strategic stage.

Each management post calls for an accurate matching of the job description based upon the work which needs to be done, with the knowledge and skills of the incumbent of the post. In order to fill a specific management job, a man or woman needs to cultivate a range of abilities, some of which will be in command with every other management post while others will be specific to a particular job. The basic function of the management development programme is to isolate the present and future requirements of each job to compare these requirements with the managerial abilities available and to develop means whereby these two can be matched.

- (iii) Each management job calls for:
  - a) Background knowledge
  - b) Knowledge of application
  - c) Tool subjects such as statistics or mathematics
  - d) Management techniques, such as values analysis or critical path analysis.
  - e) Management skills – Human Relations and conceptual skills.

Both management education and management development programmes are efforts to bring about the much needed but difficult match between the man and the job. Many instruments of development are available. They should be used as per the need of the situation.

#### **18.5.1 Instruments of Development**

- a) Performance Appraisal
- b) Performance Review/Discussion and Counseling
- c) Job Rotation
- d) Organization Development Activities (MBO, Corporate Planning etc.)
- e) Career Development Plan and Activities
- f) Training
- g) Periodic Discussions and Meetings

#### **18.5.2 Principles of Development**

A famous multinational company which had commissioned a research project to determine the principles of management development identified the following as important principles:

- a) All development is self-development. It must be generated within the man himself. No amount of coercion can produce development in a hostile or apathetic manager.
- b) Development is highly individual. Einstein expressed this thought by the phrase “uniqueness of the individual” that is there is no average man and no two people



have exactly the same needs. There are many approaches to management development and different approaches work better with different types of managers.

- c) Development of an individual is due to his day-to-day experience on the job. Therefore, one must emphasize the development of a man in his day-to-day work. Conversely, it is unwise for an individual to set his objectives too high or to concentrate on the job immediately above his own if he has not satisfactorily mastered his present assignment.
- d) Education is continuous. A person must strive constantly to improve himself using as many methods as possible. In other words, we need to "run hard to stand still" in this changing world.

It will be good for the trainer to remember these basic principles of development. They should also be remembered while choosing training methods.

## 18.6. New Concepts of Training

It will be advisable for the trainer to remember the new concept of training developed by Lynton and Pareek to make the training efforts useful to organizations.

### Assumptions underlying two concepts of training:

#### The Prevailing Concept

- i) The acquisition of subject matter Knowledge by a participant leads to action.
- ii) The participant learns what the Trainer teaches. Learning is a simple function of the capacity of the participant to learn and the ability of the trainer to teach.
- iii) Individual action leads to improvement the job.
- iv) Training is the responsibility of the training institution. It begins and ends with the course. It has a subsequent post training phase.

#### The New Concept

- i) Motivations and skills lead to action. Skills are acquired through practice.
- ii) Learning is a complex function of the motivation and capacity of the individual participant the norms of the training group, the training methods and the behavior of the trainers, and the general climate of the institution. The participants motivation is influenced by the climate of his work organization.
- iii) Improvement on the job is a on complex function of individual learning, the norms of the working group and the general climate of the organization. Individual learning, unused, leads to frustration.
- iv) Training is the responsibility of three partners; the participants organization, the participants and preparatory, training and the training institution. All are of key importance to the success of training.

Of all the instruments of development, training is the most visible one in organizations. Total expenditure on training has been on the increase in organizations. Does this expenditure

produce results? Many feel it does not. Trainers to be effective in helping organizations produce results should carefully examine the assumptions underlying the new concept of training and evolve strategies based on them.

## 18.7. Methods of Management Development

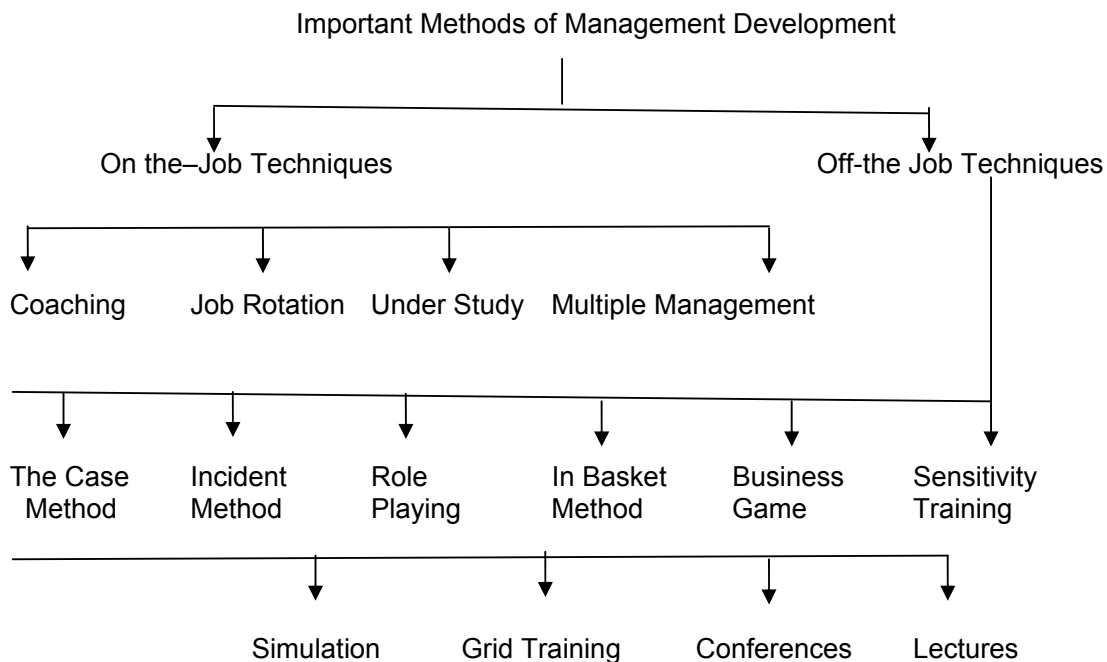
There are mainly two types of methods by which managers can acquire the knowledge, skills and attitudes and make themselves competent managers. One is through formal training and the other is through on-the-job experiences.

On-the-job training is of utmost importance as the real learning takes place only when the learner uses what he has learnt. The saying, "An ounce of practice is worth tones of theory" is true, whoever said it. But it should also be remembered that classroom training or pedagogical techniques have also got their own importance in gaining new knowledge, learning new techniques and broader concepts.

The following are some of the important on-the-job and off-the-job techniques of management development.

### 18.7.1 One-the-job Techniques

The important on-the-job training techniques are: coaching, job rotation, under study and multiple management.



(i) **Coaching:** In coaching, the trainee is placed under a particular supervisor who acts as an instructor and teaches job knowledge and skills to the trainee. He tells him what he wants him to do, how it can be done and flows up while it is being done and corrects errors.

Coaching should be distinguished from counseling. Counseling involves a discussion between the boss and his subordinates of areas concerned with the man's hopes, fears, emotions and aspirations. It reaches into very personal and delicate matters. To be done correctly, counseling demands considerable background and ability on the part of the counselor. If carried out poorly, it may do considerable damage".

The act of coaching can be done in several ways. The executive apart from asking them to do the routine work may ask them to tackle some complex problem by giving them a chance to participate in decision-making.

One of the important limitations of this technique is that the individual cannot develop much beyond the limits of his own boss abilities.

**(ii) Job Rotation:** The transferring of executives from job to job and from department to department in a systematical manner is called Job Rotation. When a manager is posted to a new job as part of such a programme, it is not merely an orientation assignment. He has to assume the full responsibility and perform all kinds of duties.

The idea behind this is to give him the required diversified skills and a broader outlook which are very important at the senior management levels. It is up to the management to provide a variety of job experiences for those who have the potential for higher ranks before they are promoted.

Job rotation increases the interdepartmental cooperation and reduces the monotony of work. It makes the executives in general management and does not allow them to confine themselves to their specialized field only.

**(iii) Understudy:** "An understudy is a person who is in training to assume at a future time, the full responsibility of the position currently held by his superior". This method supplies the organization a person with as much competence as the superior to fill his post which may fall vacant because of promotion, retirement or transfer.

As an understudy maybe chosen by the department or its head, he will then teach what all his job involves and gives him a feel of what his job is. This understudy also learns the decision-making as his superior involves him in the discussion of daily operating problems as well as long-term problems. The leadership skills can also be taught by assigning him the task of supervising two or three people of the department.

**(iv) Multiple Management:** Multiple Management is a system in which permanent advisory committees of managers study problems of the company and make recommendations of the higher management. It is also called junior-board of executives system. These committees discuss the actual problems and different alternative solution after which the decisions are taken.

The technique of multiple management has certain advantages over the other techniques.

They are:

- i) Members have the opportunity to acquire the knowledge of various aspects of business.
- ii) It helps to identify the members who have the skills and capabilities of an effective manager.
- iii) Members have the opportunity to participate in the group interaction and thereby gain the practical experience of group decision-making.
- iv) It is relatively an in expensive method and

- v) Considerable number of executives can be developed in a short span of time.

### 18.7.2 Off-the-job Methods

Because of the fact that on-the-job techniques have their own limitations, these off-the-job techniques are considered important to fill those gaps. The following are some of the important off-the-job techniques:

- i) The case study
- ii) Incident method
- iii) Role playing
- iv) In basket method
- v) Business game
- vi) Sensitivity training
- vii) Simulation
- viii) Grid training
- ix) Conferences
- x) Lectures

**i) The case study:** Cases are prepared on the basis of actual business situations that happened in various organizations. The trainees are given cases for discussing and deciding upon the case. Then they are asked to identify the apparent and hidden problems for which they have to suggest solutions.

The situation is generally described in a comprehensive manner and the trainee has to distinguish the significant facts from the insignificant, analyses the facts, identify the different alternative solutions, select and suggest the best. This whole exercise improves the participant's decision-making skills by sharpening their analytical and judging abilities.

**ii) Incident Method:** This method was developed by Paul Pigors. It aims to develop the trainee in the areas of intellectual ability, practical judgment and social awareness. Under this method, each employee develops in a group process.

Incidents are prepared on the basis of actual situations which happened in different organizations. Each employee in the training group is asked to study the incident and to make short term decisions. In the role of a person who has to cope with the incident in the actual situation. Latter, the group studies and discusses the incident and takes decisions relating to incidents, based on group interaction and decisions taken by each member. Thus, this method is similar to a combination of case method and in basket method.

**iii) Role Playing:** A problem situation is simulated by asking the participants to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The mental set of the role is described but no dialogue is provided.

The whole play may be tape-recorded and the trainee may thus be given the opportunity to examine his or her own performance.

Role playing gives the participants various experiences which are of much use to understand people better. This method teaches human relations skills thorough actual practice. The exemplary role playing situations are: a grievance discussion, employment interview, a sales presentation etc.

**iv) In Basket Method:** The trainees are first given background information about a simulated company, its products, key personnel, various memoranda, requests and all data pertaining to the firm. The trainee has to understand all this, make notes, delegate tasks and prepare memos

within a specified amount of time. Abilities that his kind of exercise develops are: i) situational judgment in being able to reach details, establish priorities, inter-relate items and need for more information

**x) Lectures:** It is the simplest of all techniques. This is the best technique to present and explain series of acts, concepts and principles. The lecturer organizes the material and gives it to a group of trainees in the form of talk. The main uses of lectures in executive development are:

- a) It is direct and can be used for a larger group of trainees.
- b) It presents the overview and scope of the subject clearly.
- c) It presents the principles, concepts, policies and experiences in the shortest time.

Thus it

is a time saving technique.

The lectures do not give scope for student participation and may sometimes be boring which in turn hinders learning. Skills can be learnt only by doing and therefore lectures are of no use for technical skills.

## 18.8. Selection of Techniques

The success of any management development programme largely depends on the selection of the techniques. However, it should also be remembered that no single technique can prove to be sufficient, but only the combination of techniques makes any management development programme effective. This is because all managers at all levels require all kinds of skills but in varied proportions. The following table may be used in the determination of these techniques based on the needed proportions.

### Suitability of Various Techniques of Management Development

Technique	Suitability
i) Job Rotation	This is particularly useful in the development of diversified skills and to give executives a broader outlook, which are very important to the upper management levels.
ii) Understudy	An understudy is normally chosen with a forethought of making available to the organization a subordinate who is equal to his superior in the event of retirement, illness or death of the superior. The subordinate will be able to take over his position and manage as effectively as his boss could.
iii) Multiple Management	This technique is mainly useful in bringing the managers out of their narrow shell and help them gain a broader outlook and knowledge in different functional areas.
iv) Case Study	In the development of executive and analytical

	and decision-making skills, this technique is particularly useful.
v) Incident Method	This technique improves one's intellectual ability, practical judgment and social awareness.
vi) Role playing	Role playing helps executives in understanding people better by giving them various experiences.
vii) In basket	Situational judgment and social sensitivity are the two important qualities that can be developed with the help of this methods.
viii) Business Games	This technique may be used in order to develop organizational ability quickness of thinking and leadership.
ix) Sensitivity Training	This helps one know more about himself and the impact of his behavior on other, which are important to manage people better.
x) Simulation	Problem solving through decision-making can be developed quite well with the help of simulation.
xi) Managerial Grid	To develop leadership qualities in executives over a long period of time, this technique is adopted.
xii) Conferences	The most difficult thing for any one is to change his own attitude. This technique develops the ability of the executives to modify their attitudes. When needed in the interest of the organization.
xiii) Lectures	This is the best technique to give more knowledge in a short period of time to a large number of participants.

---

## 18.9. Electronic MDPs

Rapid development of technology has made the computer and internet integral parts of Management Development Programmes (MDPs). High quality generic packages for MDPs are available on CD Rom covering areas like stress management, time management and communication skills. Cyber Media and innoserv systems. Multimedia HRD and Microwave Computer Services companies developed the CD Rom's.

Hindustan Lever and Modi Xerox have commissioned CD Rom's. Maurya Sheraton trained and developed its employees by using Rom's.

There is increasing tendency to dovetail with new communication technologies. The future trends in MDP include: video conference, sharing networked resources and internet. Multimedia based MDPs will increase in the future. Multimedia MDPs are effective, efficient and of high quality with low cost.

### **18.9.1 Benefits of Multimedia**

Benefits of Multimedia include

- a) Low cost
- b) Learner has the flexibility of content
- c) Learning convenience
- d) Increase in learning efficiency
- e) Uniform input to all the participants
- f) Unlimited amount of review and relearning
- g) Incremental and retraining are free
- h) Participants can be large and geographically dispersed
- i) Quick learning: Large number of participants can learn in short time
- j) No downtime and no travelling of the participants
- k) Participants can be heterogeneous in profile, learning ability and styles.

## **18.10. Evaluation of Management Development Programmes**

Management development programmes should be evaluated in order to find out whether the objectives of the programmes are achieved or not. The development programmes would be effective, if they contribute to the organizational group and individual goals.

Management should delegate the responsibility of evaluation to a senior manager in the HRD department. The evaluation specialist should be clear of the objectives and goals against which the evaluation is conducted. Evaluation should be a continues process and specific. The evaluation specialist should inform the trainees will in advance the content, objectives, areas and the method of evaluation. Evaluation must be objective orient. Evaluation must be realistic in terms of direction, standards etc.

The areas of evaluation include different managerial skills, knowledge, technical skills and knowledge and conceptual skills and knowledge. The areas should be specific for each MDP based on the content provided. Further, the evaluation can also be a conducted regarding the training methodology, input/output/content, infrastructure and physical facilities, teaching aids etc.

Evaluation should not only immediately be after the completion of the programmes but also in specific intervals in the long-run in order to find out the impact of the MDP on the job behavior and efficiency of the trainee. Further, the evaluation may also measure the improvement in decision making skills, interpersonal relations, strategy making and implementation skills, role modeling skills etc. These areas depend upon the content of each MDP.

The evaluation results should be provided to the trainees, their superiors, subordinates and HRD department of the organization. These results can be used for further improvement of the future programmes in the company.

### 18.11. Summary

Management Development is the process of designing and conducting suitable executive development programmes so as to develop the managerial and human relations skill of employees. It includes:

- i) Identification of the areas in which management development is needed.
- ii) Conducting development programmes.
- iii) Motivating the executives.
- iv) Designing special development programmes for promotions.
- v) Using the services of specialists and/or utilizing of the institutional executive development programmes.
- vi) Evaluating the effectiveness of executive development programmes.

### 18.12. Self Assessment Questions

1. Identify and briefly describe the management development techniques relating to:
  - a) decision-making skills
  - b) interpersonal skills
  - c) job knowledge and
  - d) organizational knowledge
2. Distinguish between Training and Management Development
3. Explain in detail the objectives of Management Development Programme.
4. Explain the steps in the process of Management Development.
5. What is Electronic MCP? Explain its benefits.

### 18.13. Further Readings

- 1 Subba Rao P and V S P Rao, "Personnel/Human Resources Management". Konark Pub.Co.Ltd., Delhi, 1996.
- 2 Rolf P Lynton and Udai Pareek, "Training for Development", Vistaar Publications, New Delhi, 1980.
- 3 Sah A K, "Training and Development", Sterling Publishers Private Ltd., New Delhi, 1991.
- 4 Udai Pareek and T V Rao, "Designing and Managing of Human Resource Systems". Oxford & IBH Pub. Co. Ltd., New Delhi, 1981.
- 5 Ramaswamin N, " A Hand-book of Training & Development", T R Publications Private Ltd., Madras, 1992.
- 6 Leonard Nadier, "Corporate Human Resource Development" ASTD and Van Nostrand Reinhold Co. Ltd., New York, 1980.
- 7 T V Rao & D F Periera, "Recent Experiences in HRD", Oxford & IBH Pub. Co. Pvt. LTd., Delhi, 1986.
- 8 P.N.Singh, Training for Management Development, Suchandra Publications ( A Division of Grid Consultat Pvt. Ltd.) & Indian Society for Training & Development, New Delhi, 1998.
- 9 R.K.Sahu, Training for development, Excel Books, New Delhi, 2006

**Dr. G.B.V.L.Narasimha Rao**



**Lesson 19:**

## **Management Development Programmes: Lecture Method and Case Method**

**Learning Objectives:**

After going through this lesson, you should be able to

- Understand the concept of Lecture Method and its implementation.
- Know the objectives and processor of case method.
- Visualize the conducting of lecture and case methods for MDP

**Structure of the Lesson:**

- 19.1. Introduction**
- 19.2. Planning the Lecture**
- 19.3. Contents of the Lecture**
- 19.4. Delivering the Lecture**
- 19.5. Advantages & Disadvantages of the Lecture Method**
- 19.6. Improving effectiveness**
- 19.7. The Case Method**
- 19.8. Usage of Case Method**
- 19.9. Applying the Case Study Method**
- 19.10. Writing a Business Case**
- 19.11. Summary**
- 19.12. Self Assessment Questions**
- 19.13. Further Readings**

**19. 1. Introduction**

In this lesson the author is discussing the management development programmes for executives, the lecture method, case method have been covered.

The lecture method is one of the oldest and most basic training methods. Even though the effectiveness of the lecture method is often questioned, many instructors find themselves 30% to 50% of their time lecturing. More and more management educational institutions are using the lecture method for teaching.

There are three distinct models of teaching generally adopted in management education:

Mode	Teacher	Student
One	Active	Passive
Two	Active	Active
Three	Passive	Active

The lecture method is an example of mode one. Here the teacher is active, the students passive. Examples of modes two and three are the case method and independent project work respectively. In the last two models, the students are active. Therefore, learning is more effective. Even though lecture method is not so effective a certain amount of informal lecturing is inherent in the conduct of any course, to set out the course objectives, motivate trainees; provide explanation and analysis relevant to exercises.

## 19.2. Planning the Lecture

Before preparing the lecture, 4 important points should be considered.

- 1) Whose is your audience?
- 2) What is the purpose of your talk?
- 3) What is the time available?
- 4) What is the subject manner?

### 19.2.1 The Audience

Knowledge of the characteristics of the audience, their background, likes and dislikes, cultural differences, knowledge of subject, level of education etc. are necessary. What assumptions can be made by the lecturer before he starts? It may prove helpful to ask questions regarding the subject to the audience gauge their level of knowledge. Besides, this will help the instructor in making last minute adjustments, wherever necessary.

### 19.2.2 Purpose of the Talk

What is the aim or end result desired by the talk? The approach will vary depending on whether the instructor wishes to

- (i) give general information on a subject
- (ii) gain acceptance for a new point of view
- (iii) change basic attitudes
- (iv) give detailed information
- (v) teach a particular skill

With a clearly defined purpose in mind and a basic understanding of the nature of the students, it will be easier to select appropriate material and decide on the best way to present it.

### 19.2.3 Time Advisable

Making optimum use of the time available is an important consideration to be borne in mind by the instructor. A good instructor knows that it is better to have an audience still interested and wanting to know more after a short and fully used period than to have them tired and uninterested after a talk that has been unnecessary long. Experience shows that 20 to 30 minutes is the maximum time a lecturer can effectively speak continuously and receive attention. He should thus plan his talk so that interest is maintained by the use of interesting examples, questions, humor etc. from time to time. Use of "humor" for keeping the interest of the group is advisable. However, an excessive use of humor may prove to be dysfunctional. In one course the

students remembered all the jokes at the end of the session, but no much of the subject which was taught. Irrelevant jokes must be avoided at all costs.

#### **19.2.4 Subject Matter**

This is the heart of the lecture. Poor choice of subject or lack of sufficient knowledge can mean a total failure of the lecture. It is important for the instructor to speak from his own experience and knowledge but at the same time in keeping with the interest of the audience. There is plenty of evidence to show that more is remembered after a short talk than a long one. It is better to do a little well than a lot badly.

### **19.3. Contents of the Lecture**

#### **19.3.1 Lecture Introduction**

It should be brief and to the point presenting the theme of the subject in a manner that arouses the interest of the audience from the start.

#### **19.3.2 The body of the talk**

The main theme is developed in logical steps so that the most important points will be remembered. Illustrative examples, anecdotes and visual aids help the audience to remember what is important. They also help the audience to understand more clearly by substantiating the points made. It is advisable to start with simple concepts and move progressively towards difficult ones to develop continuity in the talk.

#### **19.3.3 The conclusion**

The conclusion made will depend largely on the objective of the talk. A brief recapitulation in different words about the main point should be made by the instructor.

#### **Remember the three parts of your lecture:**

1. Tell what you are going to tell i.e. introduce your topic.
2. Tell it.
3. Then tell what you have told i.e. summaries your talk.

### **19.4. Delivering the Lecture**

#### **19.4.1 Setting the Scene**

The speaker/instructor should arrive at the appointed place in time to check the arrangements like visual aids etc.

#### **19.4.2 Posture**

The main advantage of standing is that everyone can see the lecturer. Besides, it is also convenient position from which to manipulate visual aids. A lecturer who gives attention to all parts of the audience uniformly is more successful. An uninterested participant day dreaming may be brought back to the class by direct eye contact. A standing posture is good for maintain eye contact with different segments of the audience. This improves the effectiveness of the lecturer.

#### **19.4.3 Appearance**

Speakers would make sure, that there is nothing in their appearance that is out of harmony with the occasion or which is likely to distract the attention to the audience.

#### **19.4.4 Manner**

The speaker should be poised, courteous and sincere. The speaker should be enthusiastic, his talk should reveal his own interest in the subject.

#### **19.4.5 Gesture**

Any actions and gestures should be spontaneous. Affectations are extremely distracting and annoying.

The speaker should remember to throw his voice so that the back row can hear. Pauses and silences can be used effectively to emphasize a point.

#### **19.4.6 Vocabulary**

It is best to use simple language that has less chance of being misunderstood. A lecturer's role is to make difficult things simple not the reverse. Mahatma Gandhi used very simple language, still he was effective. So should be a management trainer. He should use simple language and not a difficult one, where the student has to keep a dictionary nearby to know what is being taught.

### **19.5. Advantages & Disadvantages of the Lecture Method**

At this stage, it would be advisable to find out the advantages and disadvantages of the lecture method.

#### **19.5.1 Advantages**

- (a) When the primary object is the passing on of information which is with the teacher but is not expected to be with the students, the lecture method is quite effective.
- (b) If there are a large number of people to be trained, scarce teaching resources or only limited time available, the lecture method may be the only alternative.
- (c) Formal lecturing is useful when basic theoretical knowledge has to be built up before practice or participative training is of any use.
- (d) When the gist of some research work is to be communicated, the lecture method is convenient.

#### **19.5.2 Disadvantages**

Some of the disadvantages of the lecture method are (a) the spirit of inquiry, which is the basis of all learning, is cubed; (b) the relationship between the teacher and student is basically 1:1 and no interaction among type group members is encouraged. Hence, the advantage of the knowledge with the students is not availed of; (c) while the lecture method may be good for schools, college's courses where people without any work experience are involved; it is not suitable for courses where people with work experience are participating; (d) it produces staleness & monotony resulting in the absorption of knowledge by students. It has been proved by research that hearing is the least effective and results in lower retention; seeing and doing are more effective (e) the lecturers are not aware the thought processes of the audience. This reduces the effectiveness of teaching since there is a one way communication; (f) flexibility with reference to inputs based on participants reactions is to (g) the lecture method is farthest from reality. The case method, problem-solving exercises an Action Learning being nearer the reality, are more effective as training techniques.

## 19.6. Improving Effectiveness

One effective method, which this author has used with success, is to make a presentation 20 to 25 minutes and then get the participation of the group for 10/15 minutes through (a) a short discussion (b) a case let discussion (c) a question-answer session (d) an exercise. This cycle of 30/40 minutes can be repeated depending on the total time allotted. Another version of this, which has been used effectively is to divide the period of 3 hours in two parts, the first devoted to the lecture and the second to a case discussion to reinforce the content of the lecture.

The lecture rating form is useful (Annexure –I). The lecturer can see where his weakness. He can use these ratings to reorganize his method or pay more attention to his drawbacks as seen by the audience. A simpler form, Session Evaluation Form (Annexure-II) is also shown at the end of the chapter. An instructor should remember that there is no substitute to practice; An instructor should remember that there is no substitute to practice; continuous practice for improving one's teaching by the lecture method is a must.

### ANNEXURE –I

#### LECTURE RATING FORM

Speaker:		Date:	
Subject:			
Items	Very Good	Good	Weak
<b>Organization &amp; Content</b>			
1. Clear Purpose			
2. Appropriate Introduction			
3. Clear main points			
4. Development of points (Use of examples)			
5. Conclusion			
6. Adaptation to group needs and interests			
7. Interest or novelty of topic or approach			
<b>Presentation</b>			
8. Animation & directness			
9. Use of voice (tone, expression)			
10. Body of notes			
11. Total speaking ability			
<b>Other Methods (where applicable)</b>			
12. Use of visual aids (comment if necessary)			
13. Handling question/discussion			
14. Timing of session			
Total handling of sessions			
Remarks:			
Signature:		(Source: ILO)	

**ANNEXURE-II**

**SESSION EVALUATION FORM**

Session Number	Rating			
	Very Good	Good	Satisfactory	Poor
Usefulness of session content to your interests and needs.				
Quality of instruction (logic of presentation, depth, clarity, use of visual aids, etc.)				
What would have made the session more effective?				
Date:			Signature (optional)	
(Source: ILO)				

## 19.7. The Case Method

Case method is an excellent medium for developing analytical skill. Started by Harvard Business School, this method is increasingly being used by many other prestigious and not so prestigious management institutes. Some of the prestigious ones which strongly believe in the case method of business education are Asian Institute of Management, Manila and Indian Institute of Management, Ahmadabad.

### 19.7.1 What is a Case?

K.R.Andrews in the article “Executive Training by the Case Method” published in the Harvard Business Review of September, 1961 defines a business case as:

“ A written description of an actual situation in business which provokes in the reader the need to decide what is going on, what the situation really is or what the problems are and what can and should be done”.

A case is objectives description of “real life” businesses situation in which executives is required to take action and are responsible for results.

Cases are usually organized around one or more problems or issues that are confronted by an organization. The case describes the problem are and contains sufficient additional information about the company and its industry to permit meaningful analysis on the part of students. Note, that cases are designed primarily to illustrate problems issues, rather than to portray “success stories”. Cases can range in length from one page to over fifty pages.

### 19.7.2 Case Technology

There are different ways of using case material. Similarly there are different kinds of cases. The case variation a trainer would like to use will depend on the training objectives. The case objectives, the case types and variations and style of monitoring class discussion are

essentially inter-related and should be viewed as the dimensions of case technology. Prof. Varanasy S. Murthy has very clearly presented these dimensions in his book "Management Practice" through the following diagram.

## **19.8. Usage of Case Method**

The cases are intended to serve as a basis for class room discussion. (WAC-Written Analysis of the Case). The objective is that the student acquires the skill in presenting the analysis of the case in a written form as is required in live business situations.

### **19.8.1 Preparation for the case:**

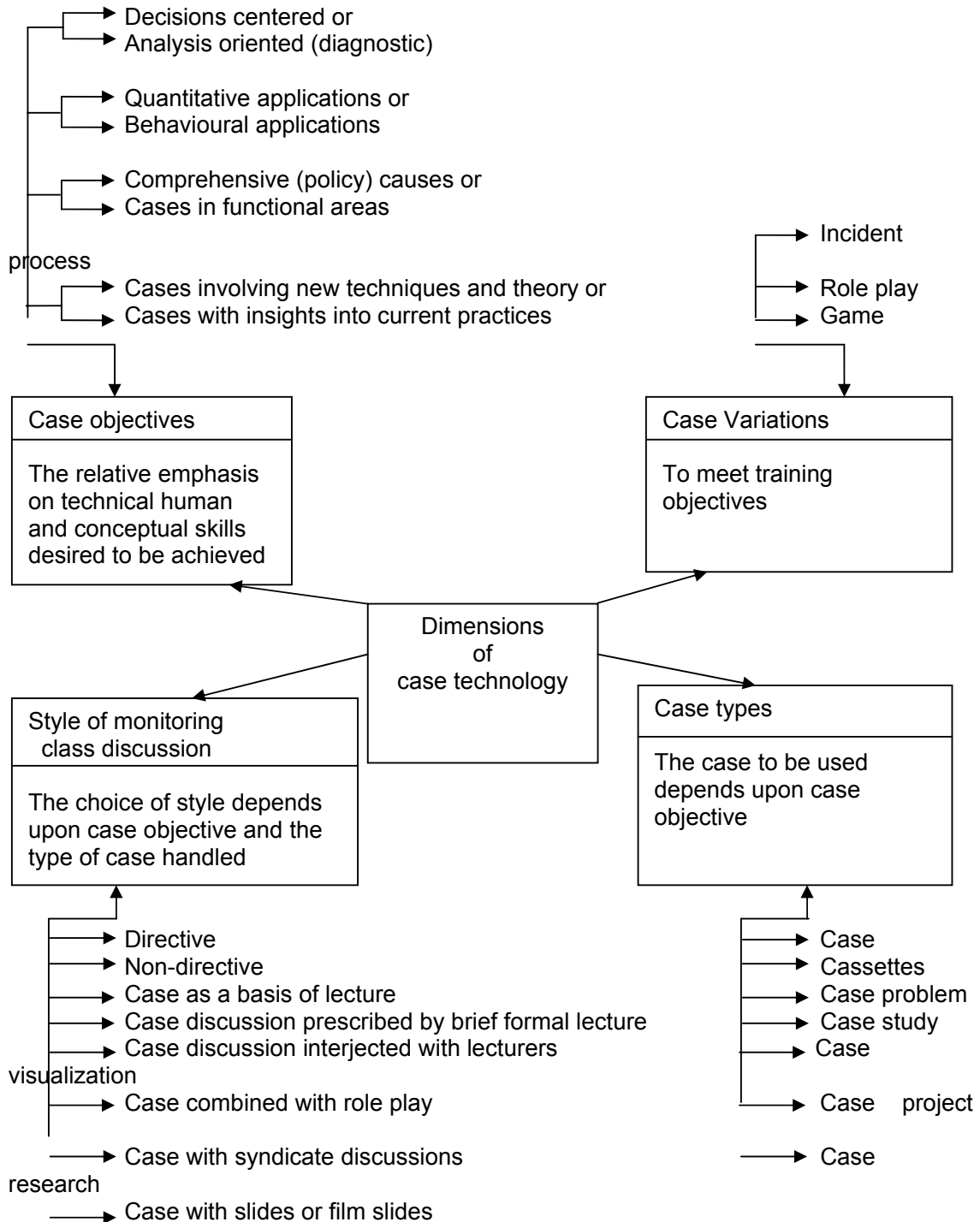
Students are expected to prepare each case in advance by analyzing available facts, identifying major issues exploring alternative courses of action and finally making a decision bases on their analysis. Students discuss and define their reasoning in the class room as they actively participate in analyzing and defending their points of view. The method represents a dynamic and powerful approach to learning. Some institutes also use the case for discussion, first in small syndicates before they are called upon to discussion, first in small syndicates before they are called upon to discuss before the whole class. The syndicates are usually formed by grouping students of different background. A syndicate of 6 or 7 students works well. The advantage of syndicate discussion is that the analysis and ideas are tested in the small group for their validity before they are thrown before the whole class. If this system is correctly implemented, learning will be much more that what it would be in discussing cases straight in the class.

### **19.8.2 Oral Case Analysis**

**This analysis can be done in 4 stages:**

a) **Define the problem in the Case:** Each-case represents a real-life business situation. Buried in each case are a multitude of business and management problems. There may be more than one major problem represented, but each case problem should be explicitly placed in order of importance. Defining the problem of a case is often the most difficult job facing the business student. It should be done very carefully, for the entire analysis depends on the problem definition, just as a doctor's treatment depends on proper diagnosis. Trainers should act as facilitators depend on proper diagnosis. Trainers should act as facilitators in such a way that students are able to clearly identify the problem. It may be advisable to group the problems into two categories: major and minor ones. However, the trainer should never identify the problems and then ask students to discuss.

**DIMENSIONS OF CASE TECHNOLOGY**





b) **Set your objectives for problem solution:** Once the problem in the case is defined the students must decide what he wants to do. He must set explicit objectives that he wants his decisions or actions to accomplish. Without such objectives, it would be impossible to tell a “good” decision from a “bad” one. For decisions are not so much right or wrong as they are logical or illogical. The decision is a conclusion that flows logically from the data given.

It is important that the student decides upon standards of evaluation when he is setting his case objectives. Standard should be specific enough to lend themselves to easy implementation.

c) **Outline Alternative Courses of Action:** Once the problems have been outlined and the student has isolated his specific objectives the alternative solutions should be examined. Each alternative will have its strengths and weaknesses and those should be made explicit. None will be “perfect” but by keeping the objectives and standards in mind—one or two approaches can be chosen. There is no “right” or “wrong” solution; the merits of a case analysis depend on the depth of analysis as well as the decision reached. A student who reaches a sound decision for unsound reasons is a poorer business manager in the long run, than one who reaches a questionable decision (in this case) for very sound reasons.

In most cases the student will have to make assumptions about facts that are explicitly outlined in the case. The fewer assumptions that have to be made in a case analysis, the better the analysis is if you must make assumptions they should be made explicit. In no case would a course of action revolve solely around assumptions. If the student must use an assumption to support his entire case, it cannot be that strong.

d) **Come to a Conclusion:** Every student should decide upon a course of action before coming to class. The very process of making a decision and preparing to defend it should open the student's eyes to the strengths and weaknesses of his analysis. It is most important that the student's decision be directed at the problem as defined and it is equally important that the consequences of the conclusions be carefully examined. Decisions must be clear, firm and if necessary, accompanied by a plan of action.

## 19.9. Applying the Case Study Method

The case study provides a learning situation which depends on involvement and participation in group discussion for its success. Discussion should be focused, yet informal. The instructor's most difficult task is to judge the proper way and time to draw trainees attention to their own experiences, others experiences, specific issues and general principles. He must stimulate discussion, not stifle it. He must intervene when necessary without upsetting it. To select the right case at the right moment the instructor needs a good understanding of the group, for it is primarily the members he is teaching not the case. Some of the questions that would be useful in case study analysis are:

- i) What is going on here?
- ii) Is there a problem at all?
- iii) What precisely is the problem?
- iv) What has caused it?

- v) Are we looking at causes or symptoms?
- vi) What are the main issues?
- vii) Why are the issues important?
- viii) Whose problem is it?
- ix) What precisely are his objectives?
- x) What should he try to do now?
- xi) What possible courses of action are open?
- xii) How realistic are the actions/solutions proposed?
- xiii) What are their possible effects?

### 19.10. Applications of Computers:

Five steps are involved in writing a case:

1. **Select the type of problem and the enterprise from which the material will be obtained** The type of case will normally determine the kind of enterprise in which to seek the material. There is some evidence that mature students, in particular, learn more from problem situations other than their own. While they may be more interested in dealing with a case about problem in a familiar environment, they often display 'blind spots' working with such material.

2. **Observe & collect data** – The fundamental need is for objectivity. A good case is well documented and contains all the material which is available to the executive concerned. Accordingly the writer must take detailed notes and collect statistics, operating statements and other information pertinent to the organization.

3. **Write the case** – The solid criteria in selecting what should or should not be included from observations and how to write it up are:

- a) Objectivity
- b) The practical usefulness of the case in the training situation, length, detail, method of presentation, literary standards and style, should be subordinated to these two major criteria.

4. **Clear the case** – This can be done by reviewing the case from time to time with executives in the organization concerned.

5. **Confirm the usefulness of the case as teaching material** – This involves conducting a full scale discussion of the case in realistic circumstances.

#### 19.10.1. Limitations of Case Analysis

One inherent difficulty is personal bias. A student's thinking is inevitably colored and limited by prejudices and preconceptions of which he may be unaware. One reason why group work can be so unsettling at some times and so fruitful at others is that what one member takes for granted is often questioned by others. A second barrier to productive case analysis, especially in solitary thinking is that it calls for skills with language. But many people are sent to case study courses primarily because they lack communication skills. Fortunately, most of the work in analyzing cases can be done by group discussion. Some of this analysis is best done in small subgroups.

### 19.10.2. Merits of Case Study Method

The case study method accomplishes several objectives of management development programmes.

i) It distributes knowledge and facts.

ii) It improves participant's skills in problem, analysis, communication and particularly brings home to the participant that nothing is absolutely, "right" or "wrong" in the field of human behavior or for that matter in management. What is important in the case method is not that you come to know of "right" answers, but that you learn different approaches to the solution of a problem, you start appreciating others point of view and in the process change your attitude.

**1) The incident Process:** This is a variant of the Harvard Method. Only a bare "incident" is reported to the group. Other information regarding the incident is known only to the discussion leader. The group gets this information (e.g. company rules, biographical information about the characters etc.) only by specifically asking for it. In this method all that the students receive is a thumbnail sketch of precipitating incident. This is followed by a spate of questions concerning the WHAT WHEN WHERE and HOW of the case at the time of the incident. "WHO" was immediately involved. This questioning leads to full scale discussion and analysis, because people find it easier to "think" and feel that the situation is happening now and that they are taking part in it.

**2) Written Analysis of a Case (WAC):** The four stages of an oral analysis of a case are also applicable to the written analysis of the case. The analysis should be brief and to the point. The flow should be smooth. A good WAC will not only need an analytical brain and logical thinking but also a good command over the language. A case and its analysis are reproduced below to serve as examples.

### 19.10.3. The Case: Dilemma of George Santosh

One fine morning in the year 1970 the Minister called George Santosh, the Chief Executive of the Alpha Oil Company and told him: "George, these Petrol pumps are meeting the requirement of only the elite of the society. There are over 10,000 of them, some of which are in rural areas. Why don't you convert the petrol pumps in rural areas into some sort of super markets for villages where all the needs of farmers are available? Additionally these centres should have medical facilities together with facilities for family planning. Don't post these qualified doctors, your see. They won't stay there. Train some paramedical personnel like barefoot doctors of China".

After considerable thought, George Santosh introduced the concept of Multi Purpose Distribution Centres.

**1) Background:** Retail Outlets of oil companies have traditionally catered to the requirements of road transportation sector. They were usually provided with facilities of dispensing Motor Spirit for cars and High Speed Diesel for trucks. The outlets were put up on the main highways or in the cities where the vehicle population was high. In the absence of mechanization of agriculture, the requirement of petroleum products for agricultural sector in the pre-independence era was minimal. However, with the increasing mechanization of agriculture after independence, the supply of petroleum could not be created to by the retail outlets positioned hitherto for meeting the needs of the road transport sector. Keeping in view the increasing demand for petroleum products from this sector, a fundamental change took place when oil companies undertook installation of a large number of Retail Outlets in rural areas to

cater to the agricultural demand. Alpha Oil Company of which George Santosh was the Chief Executive had the following retail outlets:

(a) In cities of Delhi, Bombay, Calcutta and Madras	200
(b) Towns having population of 2 lakhs and above	400
(c) Other than (a) and (b) above	3400

Remaining 6,000 retail outlets popularly called petrol pumps were owned by the competitors of Alpha Oil Company

**2) First Step:** As the first step arrangements were finalized under the auspices of the Ministry for giving agencies of agricultural inputs like fertilizers, pesticides, quality seeds etc, to some of the selected retail outlet dealers of Alpha Oil Company. The first retail outlet converted for selling these additional commodities was inaugurated by the Minister himself. Over a period of an year about 200 outlets were converted as Multi Purpose Distribution Centres. While George Santosh was very happy on this achievement, the Minister felt that unless family planning and health care facilities are also provided at these centres the work was not complete.

**3) Health Scheme:** One of the senior managers of Alpha Oil Company was deputed to locate places where some selected persons could be trained for starting medical facilities at some selected Multi Purpose Distribution Centres. This executive contacted a husband – wife team of doctors who had introduced a unique paramedical scheme in a small Taluka in the State of Maharashtra. 20 ladies were selected by the Alpha Oil Company for training under the paramedical scheme. Except for one Region, the Regional Managers all other Regions could select ladies for this training only at the last moment when Mr.George Santosh intervened. These ladies were selected at random and to against any specific requirement or qualification etc. Some of them were old whereas some others quite young. A few were windows with children. All of them knew Hindi. After training at the village hospital of the above mentioned doctor couple these health workers called Gram Sevikas were given the following job specifications:

- i) House to house survey to find out the target population
- ii) Care of preschool children in the area
- iii) Family planning and welfare education
- iv) Free medical care
- v) First aid
- vi) Health education with specific reference to cleanliness, drinking water, sanitation etc.

With the change of Government in 1977, a anew Minister of Oil took over. In the meantime complaints started coming in from different regions regarding problems these Gram Sevikas faced with the rural population. The word family planning became a taboo. Three of the four Regional Managers recommended that this scheme should be discontinued as they felt that this was not their work. The Multi Purpose Distribution Centres also started suffering as they did not receive fertilizers, pesticides etc, during the season.

**NCC Survey:** To extend the scope of MPDCs Santosh negotiated with the Directorate of National Cadet Corps and launched a Unique scheme where NCC cadets conducted a rural market survey during the summer vacation in May/June 1977 on payment of nominal daily allowance. MPDCs were the centres of their activities. The objectives of this scheme were:

- (a) To conduct a market survey in the rural sector to assess the efficacy of kerosene and other petroleum products distribution systems
- (b) To find out the extent to which our Multi Purpose Distribution Centres serve the rural society by supplying their essential needs and to suggest ways and means of extending the scope of these Multi Purpose Distribution Centres and
- (c) To popularize certain rural technologies like Gobar Gas Plants which should reduce the consumption of kerosene in the rural sector

Under the scheme about 300 NCC cadets all over India did the market survey work during their last summer vacation. Special literature on 'Gobar Plants' and 'Useful Hints to Maintain Your Tractor Better' was distributed by these NCC Cadets as a part of the scheme.

When the performance of MPDCs was reviewed at the end of 1977 it was found that the monthly turnover for all MPDCs of Alpha was as follows:

Fertilizer	Rs. 4 lakhs
Cloth	Rs. 9 lakhs
Seeds	Rs. 72,000
Pesticides	Rs. 50,000
Kerosene	Rs. 29 lakhs
LDO	Rs. 22 lakhs

The total turnover of petroleum products for Alpha Oil company was Rs.2,600 crores during the same year.

George Santosh was under constant pressure from his four Regional Managers to clearly define Alpha's role in what they termed as 'de marketing' activities. "Should he discontinue the paramedical scheme or should he not? Should he convert more of the retail outlets into MPDCs or should he concentrate on whatever have already been converted or should he altogether drop the scheme of MPDCs?" were the questions bothering George Santosh.

### **Analysis of the Case – Dilemma of George Santosh**

This case demonstrates the way in which corporate policies are formulated and some of the vital decisions taken in the public sector. The company is basically in the business of oil marketing. However, the Hon'ble Minister felt that it was not discharging its full socioeconomic functions as its distribution network of 4,000 retail outlets was primarily catering to the requirements of the elite of the society. The Minister felt that it was necessary to convert these petrol pumps into some sort of super markets selling everything a villager needed.

Critically examining the concept it is felt that the idea as such is not bad. These retail outlets are spread throughout the length and breadth of the country. The country has also faced from time to time a scarcity of different necessities/products in the absence of an effective distribution system. Hence, utilization of these retail outlets of the oil companies for distribution of what a villager needed was meant to strengthen the total distribution of what a villager needed was meant to strengthen the total distribution system. Moreover, 3400 i.e 85% of the retail outlets of Alpha Oil Company are situated at locations other than metropolitan cities and towns having more than 2 lakhs population. Hence, this company's retail outlets are best suited for this plan.

This may look like only a suggestion from the Minister. But it is more than a suggestion. It is a virtual directive from the Minister. Hence, it is not possible for George Santhosh to reject this suggestion. He has to necessarily accept it if he wants to survive as the head of the company. Moreover the adoption of the ideal of the Multi Purpose Distribution Centres would give some extra profit to the dealers at their marginal cost. Same number of employees will be able to look after the sale of these extra products as rural retail outlets, unlike urban retail outlets, are not always as busy because of the lower density of vehicle population. The Corporation would also be benefiting as a part of the profit additional products sold at MPDCs comes to Rs.65lakhs per month or Rs.7.80 crores per annum approximately. This is hardly 3% of the turnover of the company. So, a question can be asked is it worthwhile? The answer is that it is worth in view of the following:

- (a) It would give some extra profit to dealers.
- (b) More customers will be attracted because of improvement in the product range.
- (c) It would help improvement of the corporate image.
- (d) It would be in line with present Governments thinking and attachment to rural oriented projects.

It is felt that there is nothing basically wrong with the concept of conversion of retail outlets into Multi Purpose Distribution Centres and the same should be continued.

However, the same cannot be said about the health scheme. Under this Health Scheme 20 ladies were trained as Gram Sevikas by the company. It is clear that the Regional Managers were not sold to the idea and they could send the trainees only after the Chief Executive had intervened. The selection of candidates for Gram Sevikas was also far from satisfactory. The whole thing was done in a great hurry. Moreover, because of the change in the political climate, family planning and words has become a taboo. Minister had also changed. Hence the Health Scheme should be dropped at this stage.

#### **19.10.4. Future of Cases**

Cases are powerful instruments for business education. Their use will continue to increase in business schools. R.A.Gorden & J.E.Howell have very aptly described the future of cases as follows:

In all probability, wide differences will continue to exist among business schools in the extent to which, and in the ways in which, they made use the case method of teaching. But on the whole the debate on this issue seems to be subsiding. The values of the Business case for class discussions, for written reports and even for examinations is by now generally recognized, the use of cases is spreading rapidly and many business faculties now undertake to prepare for themselves some part of the cases they use. At the same time, the case method has come carry more flexible connotations than it once did. There is a useful place for long and short, complicated and simple cases. And teaching by the case method may range from the "nondirective" kind of discussion characteristic of classes at the Harvard Business School to closely supervised discussion cantering around specific questions which the class is asked to consider."

#### **19.11. Summary**

Lecture method is the simplest of all techniques. This is the best technique to present and explain series of acts, concepts and principles. The lecturer organizes the material and gives it to a group of trainees in the form of talk. The main uses of lectures in executive development are:

- a) It is direct and can be used for a larger group of trainees.
- b) It presents the overview and scope of the subject clearly.
- c) It presents the principles, concepts, policies and experiences in the shortest time.  
Thus, it is a time saving technique.

The lectures do not give scope for student participation and may sometimes be boring which in turn hinders learning. Skills can be learned only by doing and therefore lectures are of no use for technical skills.

Cases are prepared on the basis of actual business situations that happened in various organizations. The trainees are given cases for discussing and deciding upon the case. Then they are asked to identify the apparent and hidden problems for which they have to suggest solutions. The situation is generally described in a comprehensive manner and the trainee has to distinguish the significant facts from the insignificant, analyses the facts, identify the different alternative solutions, select and suggest the best. This whole exercise improves the participant's decision-making skills by sharpening their analytical and judging abilities.

### 19.12. Self Assessment Questions

1. What is lecture method, how it is make effective for management development in your organization?
2. How the case studies are helpful to the managers while in their real life practice
3. Compare and distinguish between lecture and case study methods and discuss the merits and demerits of these methods.
4. How can you prepare a management case? Take an incident which happened in your organization.

### 19.13. Further Readings

- 1 Subba Rao P and V S P Rao, "Personnel/Human Resources Management". Konark Pub.Co.Ltd., Delhi, 1996.
- 2 Rolf P Lynton and Udai Pareek, "Training for Development", Vistaar Publications, New Delhi, 1980.
- 3 Udai Pareek and T V Rao, "Designing and Managing of Human Resource Systems". Oxford & IBH Pub. Co. Ltd., New Delhi, 1981.
- 4 Ramaswamin N, " A Hand-book of Training & Development", T R Publications Private Ltd., Madras, 1992.
- 5 Leonard Nadier, "Corporate Human Resource Development" ASTD and Van Nostrand Reinhold Co. Ltd., New York, 1980.
- 6 T V Rao & D F Periera, "Recent Experiences in HRD", Oxford & IBH Pub. Co. Pvt. LTd., Delhi, 1986.
- 7 P.N.Singh, Training for Management Development, Suchandra Publications ( A Division of Grid Consultat Pvt. Ltd.) & Indian Society for Training & Development, New Delhi, 1998.
- 8 R.K.Sahu, Training for development, Excel Books, New Delhi, 2006.
- 9 Rathan Reddy. B, Effective Executive Training for Development, Himalaya Pub. House, Mumbai,2005.

**Dr. G.B.V.L.Narasimha Rao**