UNIT 1 THE PROCESS AND SYSTEM OF HRD

Objectives

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

l define HRD;

l elaborate the HRD Processes;

l list the various HRD systems;

l describe sub-systems of HRD; and

l discuss the functioning of HRD in other Asian countries.

Structure

1.1 THE CONCEPT OF HUMAN RESOURCE DEVELOPMENT

Increasingly, more importance is being given to "people" in organisations. This is mainly because organisations are realising that human assets are the most important of all assets or resources. This emphasis can also be partly attributed to the new emerging values of humanism and humanisation. Moreover, with the increased emphasis on creativity, and autonomy, which people are increasingly acquiring and enjoying in the society, the expectations of people are fast changing. People cannot be taken for granted any more.

In the past, people working in organisations were given attention merely in administering the necessary conditions of work. The traditional concept of personnel management was based on a very narrow view of human motivation. The basic assumption underlying that view was that human beings are primarily motivated by comforts and salary, and necessary attention may be given to rationalise these, so that people do not get dissatisfied. Most of the attention, therefore, was on administration of salary and other benefits. It is now being increasingly realised that people working in organisations are human beings. They have their own needs, motivation and expectations, and that their contribution to the organisation is much more than that of any other resource being used.

The concept of Human Resource assumes that human beings are a great asset to an organisation. They are not merely necessary evils to be reckoned with; in fact they can contribute a great deal to the achievement of organisational goals. This positive view

of people working in the organisations as an asset with unlimited potential is the core of the concept of the human resource system.

Human Resource Development (HRD) is a recent new systematic approach to proactively deal with issues related to individual employees, teams and the total organisation. The decade of the 1980s saw in India the culmination of HRD efforts, started in the 1970s, both in terms of innovative practices by a large number of organisations, leading to the emergence of the National HRD Network, and publications of conceptual and experience-based materials.

1.2 VALUE-ANCHORED HRD PROCESSES

The main characteristics of HRD work in India, both in terms of the concepts and practices, is based on value-anchored processes and systems.

The concept of human resources in HRD is not value-free. Broadly speaking, there are three meanings attached to the concept of HRD. In the first place, persons working in organisations are regarded as a valuable resource, implying that there is a need to invest time and effort in their development. Second, they are human resources, which means that they have their own special characteristics and, therefore, cannot be treated like material resources. The approach focuses on the need to humanise organisational life and introduce human values in the organisation. Third, human resource development does not merely focus on employees as individuals, but also on other social units and processes in the organisation. These include the role or the job a person has in the organisation, the dyadic unit (consisting of the person and his supervisor), the various teams in which people work, inter-team processes, and the total organisation. Therefore, six distinguishable human units are included in human resources, namely, persons, jobs or roles, dyads, teams, inter-teams and the organisation. The emerging developmental processes of the six "human units" are briefly discussed below.

1) **The Individual Employee**

The individual employee is the key unit in an organisation. HRD is primarily concerned with the development of persons working in the organisation, so that they may be able to have their own fulfillment and contribute to the goals of the organisation. There are three important processes relevant to the development of persons or individuals in organisations.

a) *Self-Management:* The person working in an organisation should develop competencies to manage his/her work effectively. This would involve learning to set realistic goals: the goals must be achievable yet challenging. The individual should also learn to analyse the performance process in terms of the factors responsible for the success or failure in achieving the performance results. Some of these factors are related to the employee (self), while others may be concerned with external conditions (extraneous to self). Self-management would also involve using information and competency to improve one's performance in future. An appropriate performance management system in the organisation can play a supportive a role. In fact, many organisations design their performance management system with this approach.

b) *Competence Building:* The main contribution of HRD to the individual development is in terms of building competencies required for better performance on the job. The individual employee comes with his/her educational background and personal strengths and weaknesses. While working in the organisation, he/she learns new skills that help him/her to work effectively to achieve organisational goals.

c)   *Advancement:* Every employee wants to advance his/her career in the organisation. HRD should help in the process of such advancement. Advancement of employees involves a two-pronged approach: (i) identifying their potential for use in higher responsibilities in the organization, and (ii) helping them to develop further potential to take up new challenges progressively.

2) The Role

Although individual employees perform various complex roles in the organisation, it is necessary to pay attention to these roles independently. Role is neither synonymous with the job nor is it synonymous with status or position in the organisation. Role is the position a person occupies, as defined by expectations from different. Significant persons who have direct interactive relationship with the role occupant. There are three main aspects of the development processes of roles.

a)   *Optimum Stress:* Each role must have enough stressors which may help the role occupant to stretch himself/herself to meet the challenge. In the role where the scope is limited to routine work, the role occupants do not perceive any challenge. Such a situation is not likely to motivate the role occupants to do their best. They will feel under-worked. While every role has some routine elements, challenge can also be incorporated into every role. However, the challenge should not exceed an optimal limit, otherwise it may produce dysfunctional stress, resulting in poor performance or damage to the health of the employees in the long run. Metaphorically, building optimum stress in the role is like setting the strings of a musical instrument at a level where they are stretched enough to produce music, but not too much to break.

b)   *Linkages:* While roles in organisations are occupied by individual employees, it is necessary to build linkages amongst the roles, as well as linkages of different roles with challenging goals. If the roles get isolated and produce a feeling in the role occupants that their work is very narrow and not of much use to wider groups, it might have damaging effects on the individuals, as well as on the organisation.

c)   *Autonomy:* If individuals who occupy various roles feel that they have enough scope to take initiatives or solve problems or do creative work, the role occupants and the organisation benefit a great deal. HRD must attempt to develop a sense of autonomy of this kind in every role, even at the lowest level in the organisation.

3) The Dyad

The dyadic unit, defined in terms of an employee and his supervisor, is the basic building block in an organisational structure. The stronger the dyads are, the stronger the organisation will be. The focus of development of dyads in an organisation would involve developing the following three processes.

a)   *Trust:* Effective work cannot be done in an organisation unless a trusting relationship is established between the employee and his immediate superior. Trust does not develop easily; enormous effort is required to develop such a relationship.

b)   *Mutuality:* Effective dyads will require free exchange of help between the employee and the supervisor. A helping relationship is not a one-way process. The supervisor should take help from his employees, as much as he would give the help needed by them. Mutually in relationships will also involve support to each other.

c)   *Communication:* Developing effective dyads will also involve improving communication between the members (the employee and the supervisor). Both

should be able to give and take feedback. More importantly, the employee should improve his ability to receive feedback. Similarly, the supervisor should improve his competence to coach the employee.

4) Teams

Effective teams are quite important for the performance and adaptive strength of the organisation. As far as team development is concerned, there are two primary areas on which HRD efforts must focus:

a) *Cohesion:* The team should be cohesive. Well-knit teams produce synergy and are able to utilise individual competencies and stimulate innovations.

b) *Resource Utilisation:* Effective teams maximise the use of resources available amongst members of the team. This would satisfy the members, because each member will contribute whatever resources he has, and help the team to produce effective results. Poor teams rely on and use the resource of only a few members, resulting in limited opportunities for other members.

5) Inter-teams

The main emphasis of inter-teams is to develop cooperation amongst various groups in the organisation (for example, departments, divisions, functions) so that they are able to work effectively towards the common objectives. The main focus of HRD activity for such cooperation is to develop a corporate identity. When the teams are strong, but work to achieve their own narrow goals, there is a possibility of unhealthy inter-team competition, leading to a weak organisation. While teams should work on their own goals, their linkages with other teams, as well as the organisation should be achieved through various measures.

6) The Organisation

As far as the organisation is concerned, the following three processes deserve attention of HRD:

a) *Growth:* Every organisation looks forward to growing. The growth of an organisation would involve increase in its size, activities and operations. Even when an organization is not growing in size, it may be concerned with augmentation of service quality or maintaining a leadership position in its field of operations.

b) *Impact:* Each organisation would like to have some impact on outside organisations or customers. Impact may be in terms of developing new markets, developing services or products, introducing new technology that others can follow, and so on.

c) *Self Renewal:* The organisation must examine its working from time-to-time, and take steps to update its technology. It should also analyse the present and potential problems imminent in its growth, and take proactive steps to prepare itself to meet these challenges. Self-renewal competency is necessary for organisational effectiveness and survival.

1.3   HRD SYSTEM AND SUB-SYSTEMS

As discussed above, there are six foci or targets of HRD. In other words, the scope of HRD is to develop i.e., to increase effectiveness and potential of these human units (the individual, employees, roles, teams, inter-teams, and the organisations). Relevant HRD processes, as briefly mentioned above, help in enhancing effectiveness of these human units. However, it is necessary to have a formal and systematic way of

achieving this. Such formal way of developing human resources (various human units) is the HRD system. HRD system can be broken down into sub-systems. An integrated combination of all these sub-systems is the HRD system. We describe below the main HRD Sub-systems.

Over the years several HRD practices have emerged in India. There is no unified way to classify HRD activities and efforts. A classification system is suggested here, based on both the new emerging trends in the HRD work in India, and a conceptual understanding of the main foci of HRD activities. It should be concerned with developing systems of making individuals (and the roles), and the organisation (and the teams) more effective. The systems that are primarily concerned with individual employees (and their roles) relate to their appraisal, their advancement, and their training; and the systems concerned with the development of the organisation (and its teams) relate to its design, management of culture, and renewal of the organisation. We suggest the following six HRD systems:

1) **Performance Management System**

Performance Appraisal (PA) systems are widely used in the Indian organizations. More recently these have been renamed as Performance Management (PM) Systems. The main difference between them is their respective emphasis and spirit, PA emphasing more the appraisal aspect, while PM's stress being on performance improvement. Unit 3 in this Block discusses PM System in details. Performance Management requires competency mapping of the various important jobs, identifying competencies required for effective performance on the jobs. This aspect has been thoroughly discussed in Unit 4.

In both systems performance coaching or counseling has an important place. Indian organisations have paid more attention to performance appraisal. However, in many cases in the absence of performance coaching performance appraisal or management system becomes a ritual. Larsen and Toubro, State Bank of India (SBI), and Crompton-Greaves were amongst the first companies to adopt a systematic performance coaching system (called counselling at that time). Unit 5 in this Block has dealt in details with performance coaching.

2) **Career System**

Career systems are concerned with the advancement of the individual employees in their careers in the organisation. The first step is taken by introducing career development plans so that employees joining at an any point are helped to go through various experiences which may help them to move up in the organisation. and may give them opportunities to prove themselves capable of taking up higher responsibilities. For example, *ITC* prepares a career development plan for each employee within the framework of the organisation's business plans. The first input is a "base plan" under which each unit prepares a checklist of minimum common inputs that should be made available to each executive in the first ten years (approximately) of his growth, from induction through secondments, and specialised programmes to general development programmes and interpersonal effectiveness labs. Career planning is concerned with charting career paths for the individual employees who have spent enough time in the organization, and have proved their competence. Succession planning is a part of this type of career planning. One of the most successful succession planning systems is in *Hindustan Lever*, where succession plans are prepared for all key roles several years in advance.

The third element, which has been used only in a few organisations in India, is mentoring that ensures individual attention to young potential employees (protégées) for their possible fast growth in the organisation. Mentoring has been discussed in details in Unit 5 of this Block.

3) **Reinforcement System**

A very important motivating factor for people joining and continuing in an organisation is the kind of work they get, and whether they are valued in the organisation. Unless the organisation satisfies one of the basic psychological needs of being valued and appreciated, people may not like to continue there. One indicator of being valued is the recognition received by the employees for their contribution and their special strengths. Rewards perform this function. In general, individuals tend to do whatever is rewarded in a system. Rewards can reinforce (strengthen) the desired behaviours in a system. If psychophancy is rewarded, people will spend their energy in pleasing individuals in power. If performance is rewarded, people will attempt to have high performance. Rewards can reinforce the values and other norms in an organization. Reward system is a powerful tool, but is complex and needs to be used with care and adequate planning. Reward System has been discussed in details in Unit 7.

4) **Development System**

One important function of the organization is to develop individuals, roles and teams. The training system is probably the oldest and most well known element of HRD, used for development, and does not require much discussion. The other modes of development are coaching and mentoring (discussed in Unit 5), placement and role change (discussed in Unit 2), OD interventions (discussed in Unit 8), autonomous work groups (discussed in Unit 9) etc. Unit 6 discusses Development System in details.

Although training has been used for development of employees for a long time in all organizations, it is being very inadequately treated in most organisations. Identification of training needs, preparation of a training strategy, development of training methods (pedagogy), curriculum designing (to meet specific needs), evaluation and follow-up, and post-training work need systematic attention for human resource development. Although large budgets are spent on training, training is not taken seriously. Training can be an effective instrument of change. Details of training as a part of HRD, with emphasis on strategy and systems, and with examples from some organisations in the Asian countries, can be found in Lynton and Pareek (2000).

5) **Culture System**

Cultural System has remained the most neglected part of HRD, but has attracted some attention in the last few years. Interest in culture has been aroused by the examples of Japanese successes. Some organisations in India have adopted Japanese practices, notable among them being Maruti Udyog and Sundaram Clayton. Maruti Udyog adopted some practices because of the positive pressure of Suzuki. These practices are a 7 hours 45 minutes shift, zero-defect production, cost cutting, and discipline. This helped in the development of a new organisational culture.

Organisational culture can be defined as cumulative ways of thinking and behaving which the values, attitudes, rituals, and sanctions in an organisation shape. Operationally, development of culture would involve developing a strong corporate identity, development of important values, building healthy traditions and developing consistent management practices. Cultural systems are concerned with development of appropriate organisational culture. Creating conducing organisational climate. Improving communication and evolving effective reward systems. It is to be noted that whatever is rewarded in an organisation gets reinforced. Therefore, a reward system (including incentives) both for individuals and teams deserves careful attention. Rewards can facilitate and promote good work but if not designed properly, can do a great deal of harm to the organisation. Systematic attention has been given to the reward systems in the construction group of L&T, where a need-based system was evolved.

Organisational climate is another concept close to culture that has received attention in recent years. Different approaches have been adopted to create a climate conducive to work. An instrument for assessing appropriate HRD climate has been developed and used in many organisations and some instruments to measure ethos and, atmosphere are available. Development of appropriate culture has attracted a great deal of academic attention in the past few years. Some companies have paid deliberate attention to developing an appropriate culture (viz. C-Dot, Modi Xerox, Sundaram Clayton, Eicher). Some have made attempts to improve their cultures viz. Procter and Gamble, Ballarpur Industries Ltd,. Indian Farmers' Fertiliser Cooperative (IFFCO).

Development. of culture takes a long time and involves complex processes. The following aspects deserve attention in this regard.

a) **Strong Corporate Identity:** The sense of identity with the organisation develops when the employees have a sense of belonging, and they feel proud to belong to the organisation. Identity develops as a result of interaction of the employees with the organisation. The following action ideas help in developing strong corporate identity.

   i)   Developing an attractive booklet, giving basic information about the company. Indo-Burma Petroleum Company (IBP Co.) and several other organisations have developed good induction material.

   ii)   Films on success experiences in organisations, if shown on special occasions, may help build corporate identity. "Manthan" directed by Shyam Benegal for NDDB is a good example of such a film. By inviting suggestions from the key divisions of an organisation, the HRD Department can prepare a list of such video films to be developed.

   iii) Company newsletters giving information about business development and significant information about the employees are being published by many organisations.

   iv)   Mobility of people (corporate field, division-unit, inter-division) has been used among other things for the development of organisational identity.

b) **Developing Important Values:** Values related to organisational culture, such as values of excellence and human consideration do not develop through mere didactic exercises like lectures, talks, or writing, but by demonstrating these values in action by the key role holders. The following practices have helped the development of relevant values.

   i)   Survey feedback of values, in particular, feedback on the gap between "espoused values" and "values in action" as reflected in the management practices. Seminars can be held at different levels to deal with the data generated on these gaps.

   ii)   Special value-orientation programmes in developing appropriate values, in which, instead of teaching what values are good, the programme helps participants to examine the relevance and functionality of certain values and openly questions and discusses the desirable value system and the one that they see in action. Such programs on value clarification help people to internalise values by stating their own values without hesitation, by examining openly and frankly the desirability of a different value system, and also by developing specific ideas of practicing such values in the workplace.

   iii) Examining the various operating systems in the organisation. As for example, a content analysis of the budgetary, MIS, appraisal, promotion, career planning and rewards system can indicate what values they reinforce. The concerned groups can then examine the data for insight and development of appropriate action plan(s).

iv) Special OD intervention in developing collaboration and concern for excellence may help in anchoring appropriate value orientation through such exercises as team building, achievement and extension motivation programmes and so on.

c) **Building Healthy Traditions and Practices:** Traditions in an organisation are built on the basis of important rituals. Rituals or celebrations associated with the transition of people from one state to another are important avenues for identifying a culture. In Indian society for example, about 16 rituals are associated with transition from one phase of life to another. These rituals do contribute to the development of social, and family traditions. Attention should be given to the identification of functional rituals within the organisation. Some interesting practices have already been found useful in some companies.

i) Induction programme for new entrants help the employees to develop a sense of belonging. Detailed planning is needed to help them develop pride and joy in becoming a member of the company that will reinforce the sense of belonging and identification with the company. Sundaram Clayton's "acculturation workshops" for new entrants are very well designed and exemplary.

ii) Promotions need to be treated as an important event of transition of a person from one stage to another. Instead of only written communication of promotion, a face-to-face conversation with the concerned chief may be useful, before it is communicated in writing; the information of promotion is shared with the concerned employee along with its implications.

iii) Rituals associated with old age and retirement of people should also receive due attention from the HRD wing. The Malayala Manorama group has evolved some rituals associated with an employee's death and old age. For example, "senior members" (employees having completed certain years of service) are taken free on a Bharat darshan trip along with their spouses. ("senior couples"').

iv) The exceptional behaviour of an employee in helping the organisation or in solving different problems and so on, must be recognised, rewarded and made visible. This may help to develop the tradition of indulging in such behaviour more frequently. People find reasons to repeat a behaviour that is rewarded, and thereby, they are reinforced by the organisation. A behaviour repeated by one is internalised over a period of time, and these internalise materials in the collective sense from a sub-culture and eventually integrate with the culture in the organisation.

v) Celebrations of incidents significant to individual employees and the organisation are important. Some interesting experiences in some organisations have shown that these may help not only to develop a strong organisational identification and thereby contribute to culture, but may also make organisations more akin to the Indian culture in a broader sense. Following are two such examples. Petrofils. A successful and fast expanding company in the joint sector has been using rituals involving the top management, the employees, and their families. For instance, record breaking performances are celebrated by rewarding everyone in the company, so as to symbolise the contribution of all the employees. Transition from one productive year to the next is marked by a committee of employees selecting a gift for everyone. For example, in 1985, a new record for sales was set, when a profit of Rs.36 crores on an investment of Rs. 67 crores was made. That year everyone took home a mixer-grinder. A number of such rituals are being designed, and care is taken to ensure that

they remain meaningful and do not degenerate into mechanistic rituals.
Another interesting ritual is the celebration of birthdays in the Board room
for all employees, from the Chairman to the Khalasi (helper), to strengthen
the feeling of the company being a family. Everyone is given a gift worth
Rs.51 and the item for the year is selected by a group of about 40
employees.

Steel Tubes of India (STI) has evolved a governance-system suited to the Indian
culture, consisting of joint committees (representatives of management and workers,
elected by the entire work force) and Jan Sabha (representing elected members,
departmental councils, best workers awarded during the past seven years, employees
with over 20 years service, senior managers, departmental heads and directors of the
company).

d) **Communication:** Many organisations have paid attention to communication. Over
the years, some innovative and successful practices have been evolved in a number of
Indian organisations. For example, in BHEL (Bhopal Unit), Management Employees
Communication Meetings (MECOMs) have been effectively used. A MECOM as an
open forum, in which more than 700 persons participate. It has contributed to mutual
sharing of information and concerns and better understanding between management
and employees. It has helped in effective implementation of decisions. Establishing
this system was not easy: a great deal of OD work had to be done prior to and during
the evolution of MECOM.

In Tata Iron and Steel Company (TISCO) the Chairman keeps communication with
his employees by answering every letter that is addressed to him (some 80,000 per
year) and has an open house at his residence between 7 and 9 every morning where
anyone can walk in and discuss personal or work-related problems. He also holds
dialogues with large groups, sometimes consisting of as many as 2500 persons. A
very systematic attention has been paid to communication in VST Industries
(including regular business-related communication with the union) with great benefits.

Communication ensures the flow of goal-oriented information and messages between
different individuals and groups, in all directions, to help them perform their roles
more effectively. Communication minimizes distortion of information (studies have
shown that in downward communication the information loss. In terms of original
messages is about 40 per cent by the time it reaches GMs, 60 per cent by the time
plant managers receive it.   70 per cent by the time general foremen get it, and the
loss is as high as 80 per cent by the time it reaches the worker). Communication also
minimises hierarchical and psychological distance and maximises collaboration
amongst individuals and teams in an organisation. More specifically, the following are
the objectives of communication in an organisation; information sharing, feedback,
control, influence, problem solving, decision making, facilitating change, and
facilitating group development. There are mainly four directions of organizational
communication:

i) **Downward communication:** The following types of communications are
suggested along with some mechanisms:

   a) *Diffusion of routine information:* This can be better done through
circulars, bulletin boards and so on.

   b) *Diffusion of procedural information:* This can be done by circulars,
especially prepared notebooks and manuals.

   c) *Socialisation:* As already suggested, socialisation of individuals in the
value system of the company should be done through induction booklets,
special programmes, and meetings. Sharing of information from higher
levels with the employees may also help employees to feel they are a part
of the organisation.

d) *Job-related information:* This needs to be done by interpersonal communication between the job holder and his reporting officer.

e) *Feedback on individual performance:* The most effective way of this communication is the appraisal review and coaching meetings held on the basis of performance ,appraisal results.

f) *Employee development:* Employee development is done through dyadic communication, based on trust. between a manager and his employee, training programmes and group meetings. A more effective communication for development is by the model set by senior managers.

(ii) **Upward communication:** Upward communication is as necessary as downward communication. There are several purposes for such communication. These are suggested below, along with possible mechanisms of developing them.

a) *Management control:* Use of management information ensuring regular flow of information helps in achieving effective management control.

b) *Feedback:* Feedback from lower levels to higher levels is very useful. Such feedback can be provided by use of special questionnaires and interviews. Exit interviews conducted when people are leaving the organization are used for feedback on important aspects which the people at higher level must know.

c) *Problem solving and involvement:* The effective mechanism for solving person related problems of lower level management by the higher levels are grievance procedures and periodical meetings called by the higher level management. Another good method which may help the people at lower levels in the organisation to participate in problem solving is a suggestion scheme, which however, needs to be well designed, properly executed, and periodically reviewed to save it from becoming ritualistic. A small Task Force may be constituted to prepare a scheme, and monitor it for sometime. Periodical meetings allowing all employees to express their feelings and give feedback to the management, to help them to take follow up action on problems has been found to be useful in some organisations. VST Industries have introduced the scheme in a planned way (Vidyasagar , in NHN, 1989: 150).

iii) **Horizontal communication:** Communication across business groups, regions and units is very important to develop collaboration and reduce bureaucratisation. The following tasks can be achieved, with different rnechanism as suggested below:

a) *Experience sharing:* Functional group meetings (like, those of Finance, HRD, R&D, EDP people and others) from different business groups, along with other relevant people from the corporate departments may be helpful.

b) *Problem solving:* Participation of people from different business groups in solving common problems can be achieved by setting up a special Task Force (group to workout details and., in many cases, to implement action plans) and a Problem Clinic (group to diagnose problems and suggest alternative solutions, using special techniques of diagnosis).

c) *Coordination:* Standing committees are meant to make coordination more effective.

iv) **External communication:** Communication with external agencies, like, current and potential customers, government agencies, competitors and potential collaborators, resource providers (banks and financial institutions) is very important, but often gets little attention. The following purposes can be served by the suggested mechanisms:

a) ***Image building:*** Annual reports, balance sheets, brochures, advertisements and the like are important mechanisms, deserving detailed planning in terms of form and content. Participation of Company Executives in professional bodies like, Management Associations, Chambers of Commerce Sub-Committees also help significantly.

b) ***Credibility building:*** Balance Sheet and correspondence (prompt, purposive, and precise) contribute to the credibility of the company.

c) ***Influencing:*** An organisation should not shy away from its role of influencing policies and decisions in the concerned industries and other forums. Well-prepared dialogue by the top management and participation in conferences and forums must receive the attention they deserve. One general weakness of Indian companies is the lack of expertise and seriousness in influencing external agencies. One of the most important roles of Corporate Management is to develop an aggressive (in the positive sense) posture and competence to deal with critical issues. This ability has been amply demonstrated by many organisations.

6) **Self-renewal System**

An organisation should be concerned not only with its growth, but also with its health. It needs to diagnose its problems from time-to-time and take steps to develop new competencies to cope with the various problems and challenges it would be facing. This can be done through action research that is concerned with development of competencies through effective teams to diagnose the problems and initiate the process of collaborative work to deal with such problems. In OD, the focus is on developing process competency to increase organisational effectiveness. Organisation Development (OD) aims at maintaining profiles of organisational health, monitoring organisational health, assisting sick departments, helping interested units and departments in self-renewal, conflict management, creation of strong teams and so on, and establishing processes that build a climate to promote enabling capabilities in the organisation. Organisation Development in the earlier years, mainly in the 1960s (and partly in the 1970s), was T-group-based. Most of the OD interventions in organisations started with deep process work beginning at the top level. OD has now widened considerably. It is no more confined to managers; OD has been attempted with workers also. Attention has also been given to organisational learning, to develop the competence of an organisation to analyse its experience and learn from it. This has been discussed in Unit 13. The third aspect of self-renewal is research orientation in HRD, which means consciously and continually collecting data in order to understand the various issues, and designing on-going interventions based on such data. For example, data were collected and used effectively in L&T on the working of the appraisal system including counselling. Such data can help to improve implementation of the appraisal system. HRD related research is important; it helps in analysing data and information generated by the HRD sub-systems. HRD in L&T has already established the orientation and several other organisations are in the process of introducing such "Research-orientation". For example, data related to HRD are being systematically analysed in Eicher on a regular basis. Unit 8 deals with Self-renewal System in details.

OD has generally neglected blue-collar workers and worker organizations. OD should also be concerned with management of collective power. Traditionally industrial relations have been dealt in the framework of Industrial and labour laws. Unions and associations of employees use collective power to bargain with the organisations. Although this aspect is undergoing a lot of change, it is still very important, needing a different approach. The pioneering work by Nitish De (1984) on autonomous work groups, and involving workers in OD programmes is a good example.

1.4 CHANGING BOUNDARIES OF HRD

Over time there have been many changes in the HRD function. Some new initiatives have been included in HRD function also got expanded to include some new initiatives in a few organisations. Some of the new aspects are given below. These are helping HRD to become a strategic business partner.

1) *Reorganisation and restructuring*, including downsizing, rightsizing, flattening the structure, outsourcing etc.;

2) *Managing mergers and acquisitions;*

3) *Initiating and managing quality initiatives,* including quality circles, small group activities, ISO certification etc.;

4) *Conducting a variety of surveys,* including climate surveys, employee satisfaction surveys, internal customer satisfaction surveys, and bench marking with competitors and others globally;

5) *Restructuring salary and reward systems* through compensation surveys, introduction of stock options, performance-linked pay or pay-for-performance, compensation planning etc.;

6) *Enhanced emphasis on recruitment or placement.* With the recognition of the need for competent people, the new economy industries like, the IT, Telecom, Financial services, Insurance, BPO organisations (call centres) have further increased their focus on recruitment and outsourcing of recruitment;

7) *Introducing new technologies of training,* including e-learning, on-line education, distance learning, off campus learning, web based learning and use of other technologies for learning;

8) *Starting of Corporate Universities and in-house training institutions* and academies to encourage continuous education programmes and competency building;

9) *Introduction of 360 Degree Feedback*, including using it for leadership development, evolving leadership models that fit into the company culture and take care of the unique needs of the company, and exploring it as an individual as well as performance development tools, experimenting with 360 degree feedback by linking with reward systems;

10) *Use of Assessment Centres or Development centres* for identifying, developing and promoting talented individuals, starting of fast track systems, identification of high potential employees and designing retention strategies;

11) *Increased emphasis on mentoring and coaching;*

12) *Increased emphasis on training of all employees*, particularly operators, workmen etc., through multi-skilling, etc.,

13) *Emphasis on leadership and leadership development at all levels*; and

14) *Participation in strategic thinking,* business planning, mergers, acquisitions etc.

15) *Improving quality of work life. This has been* has been brought into focus by the IT industry where the environment becomes a critical factor in effective functioning of knowledge workers.

1.5 HRD TRENDS IN ASIA

At the end of October, 2002 an International Conference on HRD in Asia was held in Bangalore, under the joint auspices of the Academy of HRD, International, headquartered in USA, and Academy of HRD, India, headquartered in Ahmedabad.

The conference theme was chosen to highlight the HRD trends and challenges in Asia. More than 140 scholarly papers from 13 countries (including India) were accepted. However, only 100 papers were included in the Conference, and were published in a volume (Pareek, Osman-Gani, Ramnarayan & Rao, 2002). These papers, mostly written by Asian scholars (but a few by scholars from non-Asian countries like; UK, USA, Australia, New Zealand, and Spain working on Asia), represent trends and challenges for HRD in Asia. The present section is a summary of a detailed analysis done in a separate paper. The trends is discussed country-wise, and the concluding remarks are made.

Bangladesh: Bangladesh has been very strong in NGOs, and Bangladeshi NGOs have shown new ways of making development more participative and grass-root-driven. There is a concern how to use NGOs for HRD. Another concern reflected relates to child labour. There is a dilemma in countries like; Bangladesh, India, Pakistan and Sri Lanka regarding child labour. While children are contributors to meeting the existence needs of their families, they are "deprived" of their childhood, and of joy, growth and education. This is a real dilemma to manage.

Korea: In Korea HRD is being seriously taken both at the macro and the micro levels. There is discussion about HRD strategies at the macro (Government) level. National HRD policy is being debated and evolved. Career success-orientation is pretty high in Korea, and its implications are discussed. In Korea HRD seems to have equal concern at the micro (government) and the micro (organisations and its members) levels.

Kyrgyzstan: A major HRD concern in Kyrgyzstan is to develop its young generation to meet new challenges. Financial constraints call for creative approaches. The country has about 2000 schools. In order to reorient education to new needs, leadership has to be effective at all levels: policy matters, administrators, participants and the teachers. This is being attempted through participative effort, organisation development, using action research framework.

Malaysia: Malaysia is fast modernising society with high growth rate. While HRD is being used in the corporate sector, one concern is the receptivity of HRD amongst the administrators. With fast industrial growth (including service industry) the HRD concerns are in relation to mergers and knowledge management. With fast growing competence level of the managers, and their taking higher responsibilities, the organisational commitment of the support staff is an HRD concern. Another concern is creating conducive climate in organisations to managing emerging issues. Although the major HRD application is in the corporations including banks, there is a search for using HRD effectively both for the administrators and the support staff.

Singapore: Singapore is the fastest growing economy in Asia. People from different Asian countries have gone there to set up enterprises which contribute to its economy. One HRD concern is to keep up this entrepreneurial spirit, probably mainly in the context of the growing affluence in the society. Since Singapore gets people from various neighbouring Asian countries, one concern is the management of contingent employment, and the contract employees.

Sri Lanka: In Sri Lanka, as in India, the public sector has been pretty strong. With globalisation the society and the economy is undergoing drastic changes, Management of change, especially in the public sector, is a major concern in that country. Another concern is to raise performance level and commitment of employees of the organisations. One way to do it is to learn from high performing companies. One implement in change management is the motion of time in Sri Lankan culture. Being an agrarian society, the concept of time seems to be polychromic, rather than monochromic. Management undergraduates while learning modern management tend to do several things simultaneously, whereas the task is sequential in nature. Their

socialisation in polychronic and circular motion of time makes them avoid thinking systems requiring monochromic concept of time. There are implications for designing management education in Sri Lanka to make it more culture relevant.

Taiwan: Taiwan is existing in a competitive environment, among various competing forces is its rival, the Mainland China. Several persons from Mainland China migrate to Taiwan. One HRD issue is the career orientation of ex-patriots. Having a large agricultural base, another HRD concern is make agricultural enterprises learning organisations. Taiwan has also a large number of small and medium enterprises (SMEs). Development of competencies in SMEs is another HRD issue. For development of people, the role of mentoring is important. With growing participation of women in the organisation, one issue relates to gender in mentoring . Finally, with co-operatives and joint ventures increasing, one HRD concern is knowledge management in such joint ventures. HRD is being applied in Taiwan to various types of service industry; a unique case is partnership between academia and the service industry (hair dressing). This shows the serious effort in Taiwan to apply HRD at all levels.

Thailand: There is only one paper from Thailand on Tao Philosophy. Tao philosophy, having pervading influence on thinking and behaviour of people in various East Asian societies, needs to be properly understood and applied in management. Tao philosophy, developed by Lao Tzu about 500 BC, emphasises holistic thinking and is comprehensive, touching all aspects of life. Its significance for HRD has been discussed.

In conclusion, the HRD trends and concerns in Asia reflect both attempts to use indigenous cultural heritage and unique philosophical traditions, as well as utilise most modern approaches of change management and knowledge management. The concern is to develop new leadership to meet new challenges. There is a trend to extend the application of HRD from macro-level (government and policy formation) to micro-most level (say hair dressing industry). Also attempts are made to use HRD in basic sectors like; education, agriculture and development of leadership. HRD has a strategic role to play in transforming Asian societies into fast growing economies of the world.

1.6 SUMMARY

Being the very first unit of the course, it has dealt with different basic aspects of HRD like the concept of HRD, HRD sub-systems, why HRD is required, the latest trends of HRD and so on. Various aspects of department of human competency as an essential component of developmental efforts has been discussed and explained with its rationale and implications.

1.7 SELF ASSESSMENT QUESTIONS

1)   Elaborate the HRD system with suitable examples.

2)   Define HRD and list various HRD systems and sub-systems.

3)   Write an essay on the functioning of HRD in other Asian countries.

1.8 FURTHER READINGS

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