Unit-11 Human Resource Development

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

- Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- Develop their general capabilities as individuals and discover and exploit their inner potential for their own and/or organizational development purposes.
- 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.

HRD is a continuous process. While the ultimate objective of HRD is to develop competencies in individuals and groups, developing competencies is a never-ending process.

Importance of HRD:

1. Without continuous development of competencies in people, an organization is not likely to achieve its goals. Competent and motivated employees are essential for organizational survival, growth and excellence.
2. Over a period of time, an organization may achieve a saturation point in terms of its growth.

Framework and Model of HRD:

1. **Ulrich and Lake's Strategic -** The aim of this model is to align HRD practices to build critical organizational capabilities that enable an organization to achieve its goals. The three important elements in this framework are business strategy, organizational capabilities and HRD practices.
2. **Yeung and Berman's Integrative Framework** – It identifies three paths through which HRD can contribute to the performance of the organization:
     i. By building organizational capabilities
     ii. By improving employee satisfaction
     iii. By shaping customer and shareholder satisfaction
3. **Friedman Human Capital Appraisal Approach -** The researchers believe that there are five stages in the management of human capital: clarification stage, assessment stage, design stage, implementation stage and monitoring stage.
   The five areas of human capital management are: recruitment, retention and retirement, rewards and performance management, career development, succession planning and training, and organizational structure and human capital enablers. A 5 × 5 matrix using the five stages and five areas could be done to evaluate and manage the human capital.
4. **HRD Scorecard Approach** – This approach envisages that for HRD interventions to make the right business impact, they should be mature in terms of HRD systems, competencies, culture and business linkages.
5. **PCMM Approach -** The approach was developed for software organizations. The model aims at providing guidance on how to improve the ability of software organizations so as to attract, develop, motivate, organize and retain the talent needed to steadily improve their software development capability.
6. **Integrated System Approach -** The approach aimed at synergy, that is an integrated approach which proposed the phased evolution of the HRD function found in the PCMM approach and which included most of the elements of the human capital approach.
7. **System Approach to HRD (Open System Theory) -** This theory can be expressed in the following manner: input—throughput—output mechanism. Systems take input from the environment in the form of energy, information, money, people and raw material. It is the second stage (process stage) which carries out conversion or the transformation and produces products and services. These are referred to as the output which return back to the environment.
   One of the most important elements of input is the information that is required for the very survival of the system. The second requirement is the feedback that will correct the process if it is deviating from its objective. Feedback may be positive or negative. Positive feedback is called deviation-amplifying feedback and negative feedback is called deviation-correcting feedback

HRD Strategies - HRD strategies are plans that define how human resources should be utilized through the use of an integrated array of training, organization development and career development efforts to achieve individual, group and organizational objectives.

Classic Training Cycle - The classical training cycle does not look at organizational objectives. This approach is towards developing and identifying training needs and, therefore, no reference is made to business objectives within the training cycle:

1. Identify the need of Training
2. Plan Training
3. Implement Training
4. Evaluate Training

Business Objective Incorporated in Training Cycle:

1. Organizational Objective
2. Planning
3. Delivering
4. Evaluation

Diff b/w Strategic Approach to Training and Development and Strategic Human Resource Development

1. Those that undertake piecemeal training which is typically course-based and not explicitly linked to the overall vision and goals of the organization.
2. Organizations with a training and development strategy, where the training and development provision is derived from the business plans and objectives of the organization, and where training and development is very much an outcome of strategy.
3. Those that have strategic human resource development (SHRD) which is more holistic. The belief is that the processes of organizational change occur through planned learning to ensure that the individual and the organization are equipped with the skills and knowledge needed to deal with the present and to create the future.

HRD: A Strategic Perspective

The HRD strategy helps the organization attain its objectives, and can, thereby, become a key resource for competitive advantage. The HRD strategy focuses on:

- HRD as a competitive advantage
- Linking HR strategy with business strategy
- HRD as a key player in organizational performance

Model of HRD:

1. **Matching Model -** This model of HRM advocates those human resources be obtained cheaply, used sparingly and developed and exploited as fully as possible.
2. **Soft Model of HRD/HRM:** This model of HRM comprises policies that promote mutuality in goals, influence, respect, rewards and responsibility. This model is concerned with the employer–employee relationship.
3. **5-P Model of HRD:** This model of HRD is concerned with the five ps of strategic HRM, that is, philosophy, policies, programmes, practices and processes. This strategic HRM model reveals a new trend in which HRM is becoming an integral part of business strategy.

Balanced Scorecard - The balanced scorecard is being used as a strategic management tool by many organizations. This technique also offers potential to those who wish to achieve strategic HRD. The balanced scorecard technique stresses that organizations should develop objectives and performance measures in a range of areas which reflect the full scope of business and not just the financial aspect of business alone.

HRD Structure: The internal organization of the HR department varies widely depending upon the nature and size of the enterprise, its management philosophy and its external environment. In a small firm, there may be an HR section within the office. In a medium-sized firm the HRM department may consist of HR manager, personnel officers and

personnel assistants or clerks. But in a large organization, the HRM department may consist of several functionaries and below every officer there will be clerical staff.
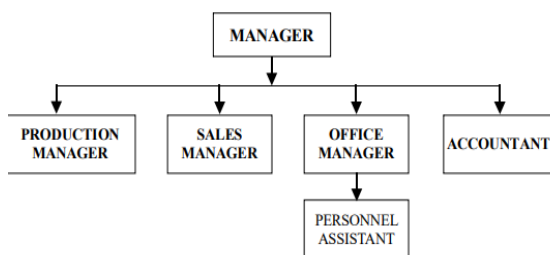

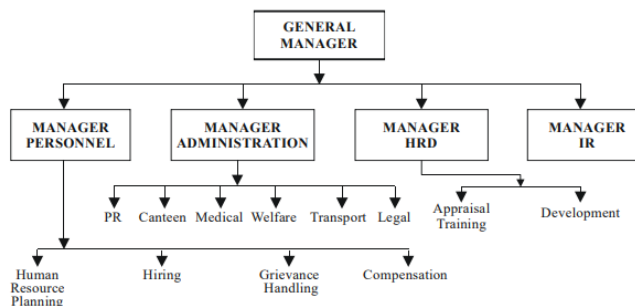Fig. 11.3 Composition of an HR Department in a Small Organization

Fig. 11.4 Composition of an HR Department in a Large Organization

HRD Competencies: Every firm has to make the best use of its workforce. For that purpose, it is essential that each position has a clear and unambiguous job description, and that the organization's recruitment and work allotment policies are based on those.

Competency mapping is a process by which organizations assess the key competencies required for a particular position and how the strengths and weaknesses of their present and potential employees match up to these requirements. It can be used for recruitment, training, team-building and evaluation. Individual employees can also use competency mapping to judge their own performance and behaviour and assess where they need to improve to do better in their career.

HRD Functions: A HRD department seeks to achieve the goals and objectives of an organization in an effective manner through the development of the employees of the organization. HRD performs three functions:

Fig. 11.5 Functions of HRD

Barriers to HRD:

1. **Managing qualified workers:** Basically, people who belong to this group are the ones who do not obey the principles of management. The reason for this is higher educational qualifications, shouldering responsibilities at a younger age with less experience, high negotiating power due to the knowledge and skills available, high demand for qualified work.
2. **Managing technological challenges**: In every domain, organizations are becoming increasingly technology oriented and preparing the workforce to accept technological changes is a major challenge.
3. **Competence of HR managers**: It is an accepted fact that the success of an organization depends on the human capital. Often the lack of competence of HR managers in understanding the business imperative is discussed.
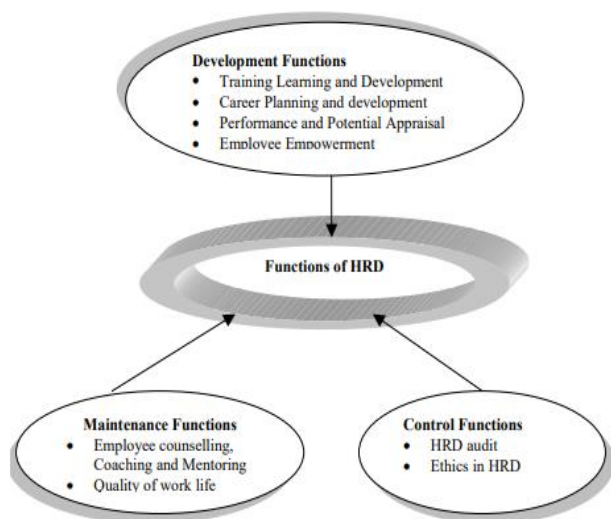
4. **Developing Leadership** - The challenge lies in developing individuals who have the potential to perform, on the basis of past record and knowledge-based expertise, into business leaders by equipping them with the necessary 'soft skills.
5. **Managing change:** The business environment is unpredictable. Research has clearly shown that the success of these interventions is totally dependent on managing the people issues in the process. HR has a crucial role to play here.

Diff b/w HRM and HRD – Pg no. 312