



# Human Resource Development

Unit I : Introduction



# Introduction



## ➤ Human Resource Development:

- Concept
- Characteristics
- Objectives
- Functions
- Mechanism
- HRD Outcomes

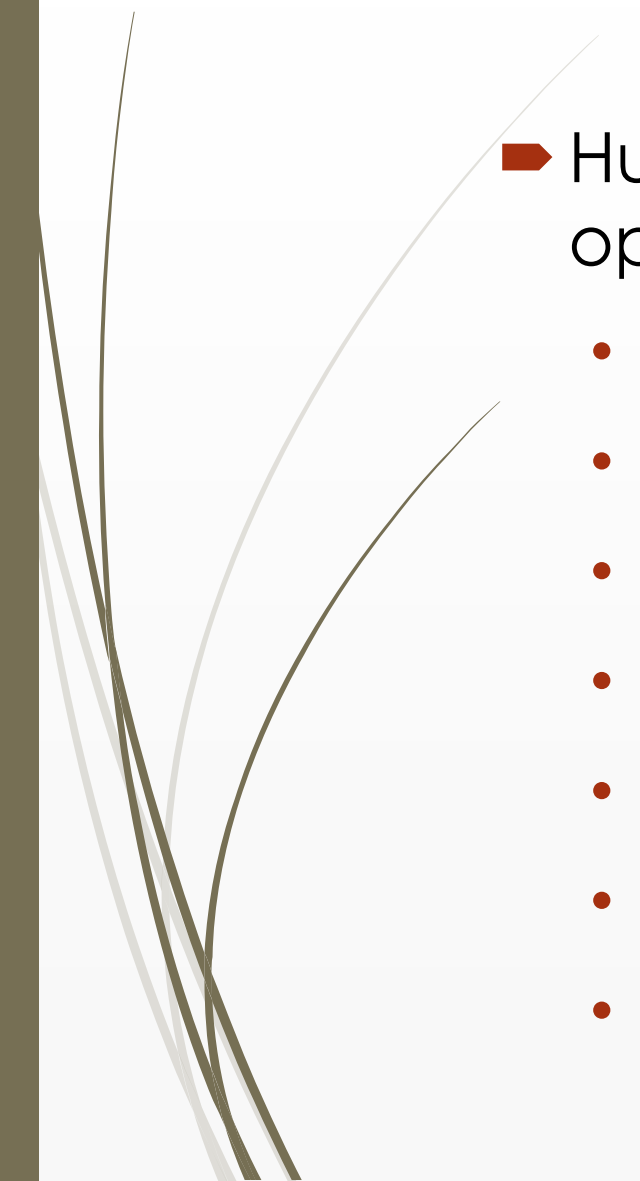


# Human Resource Development

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- Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities.




# Human Resource Development

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- Human Resource Development includes such opportunities as-
    - employee training,
    - employee career development,
    - performance management and development,
    - coaching,
    - mentoring,
    - succession planning,
    - key employee identification, etc.




# Definition

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- A set of systematic and planned activities designed by an organization to provide its members with the necessary skills to meet current and future job demands.



# Definition

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- HRD is the study and practice of increasing the learning capacity of individuals, groups, and organizations,
  - through development and application of learning based interventions
  - for the purpose of optimizing human and organization growth and effectiveness.




# Definition

- Among the Indian authors, T. V. Rao worked extensively on HRD.
- He defines HRD in the organisational context as a 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.



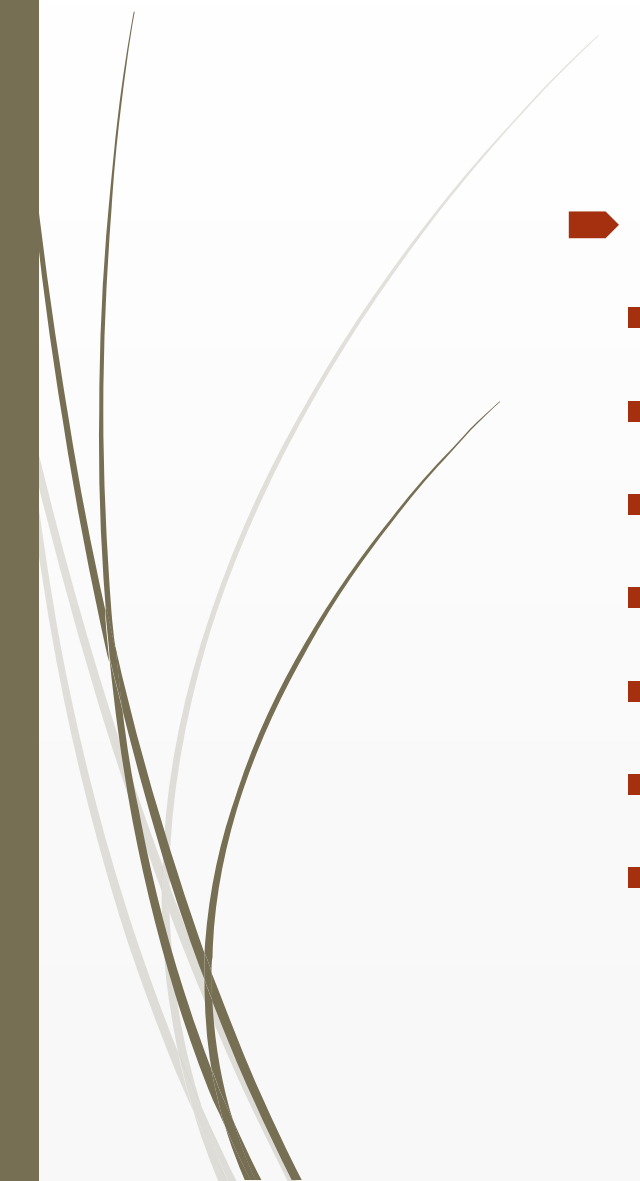
# Definition

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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 superior-subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees.





# HRD Process is Facilitated by Mechanisms Like-

- HRD process is facilitated by mechanisms like-
    - performance appraisal,
    - training,
    - organizational development (OD),
    - feedback and counselling,
    - career development,
    - potential development,
    - job rotation and rewards.
- 



# Components of HRD



**Individual  
Development**

**Career  
Development**

**Organizational  
Development**



# Individual Development



- It refers to the development of new skills, knowledge and improved behaviour that contribute to his/her productivity.
- As a result of this training, his/her job performance is improved.
- Individual development mainly takes place through informal activities like coaching or mentoring by an experienced senior.
- Some companies, may, however provide formal programmes for such training.



# Career Development

- It is an approach to match employee goals with the requirements of the organization.
- The interests, values, abilities and competencies of the individuals are identified to analyse how their skills can be developed for future jobs.
- At an individual level, career development includes career planning and career awareness.
- Mentoring, providing career counselling, career development workshops, human resource planning are the steps the organization takes for career development.



# Organizational Development

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- Organizational development means an organization wide effort to enhance organizational effectiveness.
  - It includes making improvements to the organizational structure, culture, processes, etc. through activities like performance evaluation, change management, succession planning, process analysis and team building.



# Characteristics of Human Resource Development

## ► Learning:

The essence of HRD is learning.

The very purpose of HRD is to make the employees acquire knowledge, learn newer concepts and develop their skills.

The core of HRD is to enhance the quality of workforce by creating an environment which fosters constant learning.





# Characteristics of Human Resource Development

## ➤ Career Development:

HRD helps in the career development of individuals by matching employee characteristics with job requirements.

Growth of the organization is achieved through growth and development of individual employee.



# Characteristics of Human Resource Development

## ➤ Improves Performance:

The performance of employees is improved as a result of HRD.

The training programmes enhance the capabilities of employees and improve their productivity.

## ➤ Organizational Development:

HRD aims at not just the development of the human resources, but at the progress of the organization as a whole.

Positive changes in work culture, processes and organizational structure are made.





# Characteristics of Human Resource Development

## ► Long-Term Benefits:

HRD is a very future oriented concept.

The results of HRD can be experienced only after some time following its implementation.

But it benefits the employee and the organization for a long time in the future.



# Characteristics of Human Resource Development

## ► **Continuous Process:**

HRD is a continuous process.

Different HRD programmes are to be implemented in the organization according to changes in the work environment.

Human behaviour needs to be monitored regularly to enable them to adjust themselves according to environment dynamics.



# Characteristics of Human Resource Development

## ➤ Employee Welfare:

The organization attempts to provide all the facilities which are vital for the physical and mental well-being of the employees to facilitate HRD.

Measures like canteen facilities, crèche, medical insurance, etc. are provided as part of employee welfare.



# Characteristics of Human Resource Development


## ➤ Development of Team Spirit:

HRD creates a healthy work environment which helps to build team spirit and coordination among various groups and the department.

Team spirit is necessary for fostering loyalty and belongingness among employees.



## Other Characteristics.....

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- HRD is a systematic and planned approach.
  - HRD is a continuous process.
  - HRD develops the skills and knowledge not only at the individual level, but also at group level and organisational level.
  - HRD is multi-disciplinary.
  - HRD is embodied with techniques and processes.



# Objectives



- To prepare the employee to meet the present and changing future job requirements.
- To prevent employee inactivity.
- To develop creative abilities and talents.
- To prepare employees for higher level jobs.



# Objectives



- To develop the potentialities of people for the next level job.
- To aid total quality management.
- To promote individual and collective morale, a sense of responsibility, co-operative attitudes and good relationships.



# Objectives



- To enhance organisational capabilities.
- To create a climate that enables every employee to discover, develop and use his/her capabilities to a fuller extent in order to further both individual and organisational goals.
- To ensure smooth and efficient working of the organisation.





# Functions

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- Training and Development
  - Career Development
  - Organizational Development
  - Succession Planning




# Functions

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- Improve in Working Environment
  - Performance Management
  - Employee Participation
  - Organisational Change

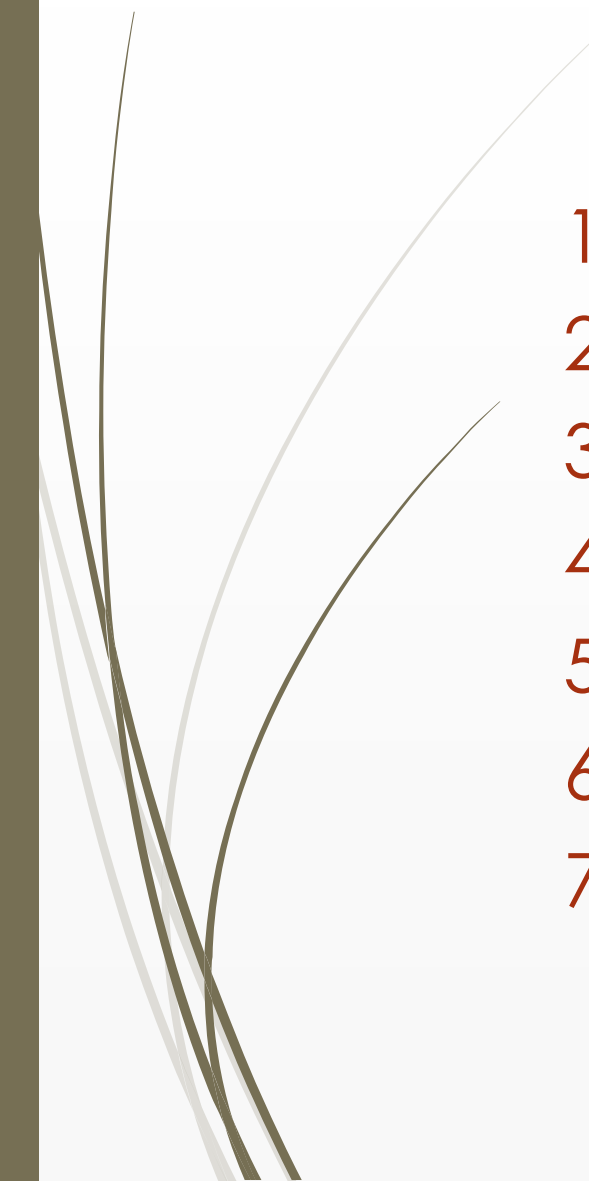


# HRD Mechanism

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- The HRD mechanism is also termed as HRD sub-systems or instrument, as it contributes towards the achievement of HRD goals.
  - Therefore, it can be said that all policies, procedures, activities, and rules, aimed at fulfilling the HRD goals are termed as HRD mechanism.



Some of the aspects covered in the HRD mechanism are listed as follows-

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1. Performance appraisal
  2. Potential appraisal
  3. Career planning
  4. Succession planning
  5. Job rotation
  6. Job enrichment
  7. Rewards




# 1. Performance Appraisal

- A performance appraisal is a regular review of an employee's job performance and overall contribution to a company.
- Also known as an annual review, performance review or evaluation, or employee appraisal, a performance appraisal evaluates an employee's skills, achievements, and growth--or lack thereof.



## Cont...

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- Companies use performance appraisals to give employees big-picture feedback on their work and to justify pay increases and bonuses, as well as termination decisions.
  - They can be conducted at any given time but tend to be annual, semi-annual, or quarterly.



# Performance Appraisal Types

- **360-degree feedback assessment:** Includes input from an individual, supervisor, and peers.
- **Self assessment:** Individuals rate their job performance and behaviour.
- **Peer assessment:** An individual's work-group or co-workers rate their performance.



# Performance Appraisal Types



## **Negotiated appraisal:**

A newer trend that utilizes a mediator and attempts to moderate the opposite nature of performance evaluations by allowing the subject to present first.

Also focuses on what the individual is doing right before any criticism is given.

This structure tends to be useful during conflicts between subordinates and supervisors.





## 2. Potential Appraisal

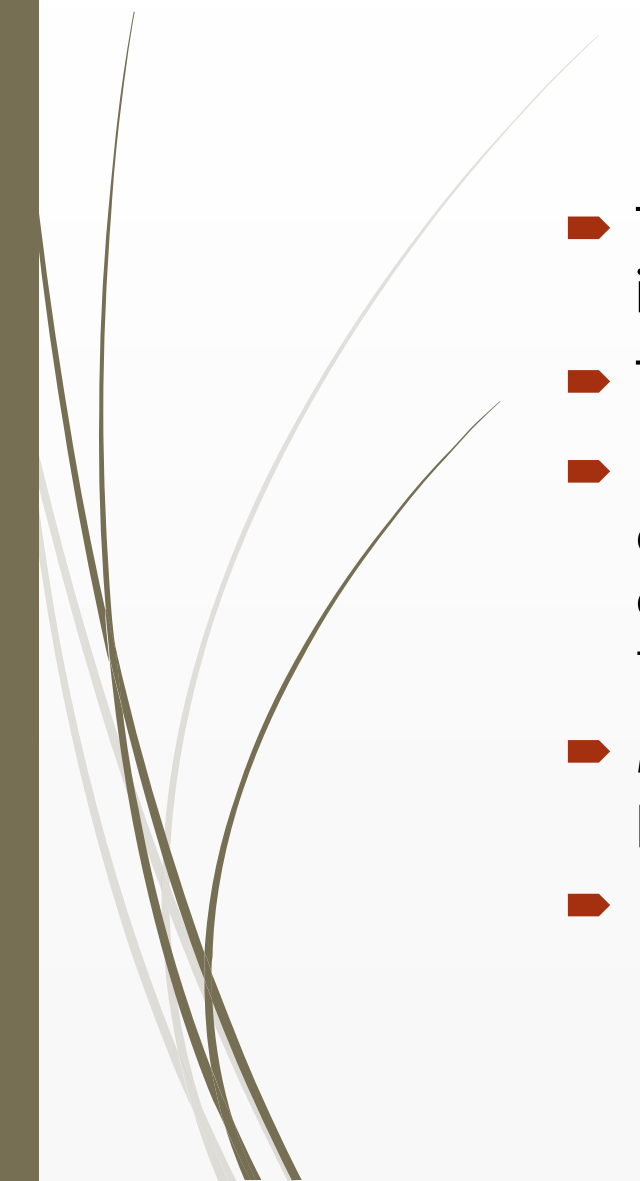
- ▶ “People are like icebergs. What you see above the surface (performance) is only a small part. A large part of the attributes needed to perform excellently in a future job, which I call potential, is not immediately visible. It is hidden below surface.”

- K. Ramchandran

(Director, Human Resource and Operational Policy, Philips India Limited)



## Cont...

- The potential appraisal refers to the appraisal involving identification of the hidden talents and skills of a person.
  - The person might or might not be aware of them.
  - Potential appraisal is a future-oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy.
  - Many organizations consider and use potential appraisal as a part of the performance appraisal processes.
  - Potential appraising is different from appraising performance.
- 



## The Mechanisms that could be used for Potential Appraisal-

- **Rating by Superior-** The potential of a candidate could be rated by the immediate supervisor who is acquainted with the candidate's work and also his technical capabilities.
- **Psychological Tests-** Managerial and behavioural dimensions can be measured through psychological tests.

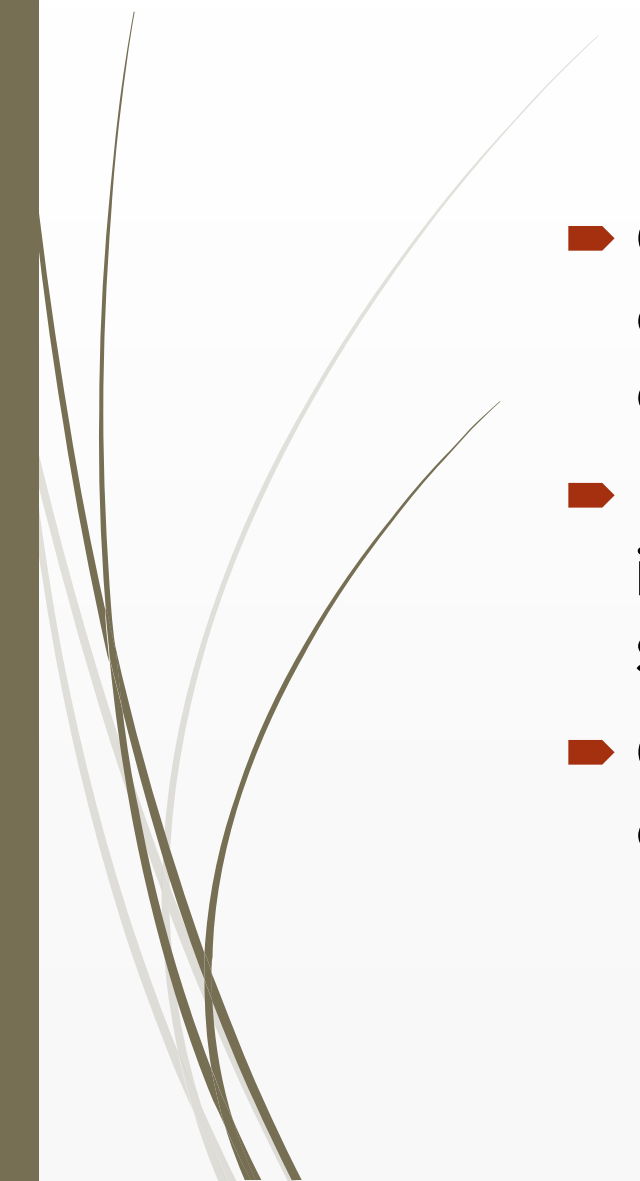


# The Mechanisms that could be used for Potential Appraisal-

- **Games**- Simulation games and exercises (in-basket, role play, etc.) could be used to uncover the potential of the candidate.
- **Performance Records**- Performance records and ratings of the candidate on his previous jobs could be examined carefully on various dimensions such as initiative, creativity, risk-taking ability, etc., which might play a key role in discharging his duties in a new job.

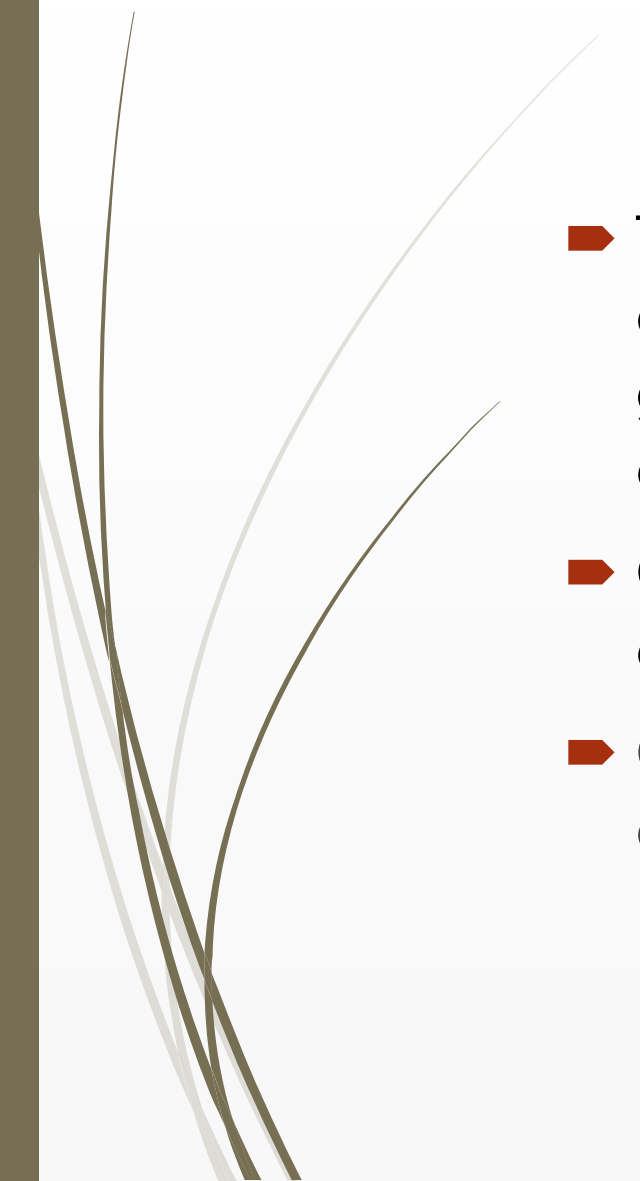


## 3. Career Planning

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- Career is a sequence of attitudes and behaviours associated with the series of job and work related activities over a person's lifetime.
  - It may be individual centred or organizational centred, individual-centred career is an individually perceived sequence of career progression.
  - Career planning is the process by which one selects career goals and the path to these goals.




## Cont...

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- The major focus of career planning is on assisting the employees achieve a better match between personal goals and the opportunities that are realistically available in the organization.
  - Career planning is not an event or end in itself, but a continuous process of developing.
  - Career planning is the process of enhancing an employee's future value.

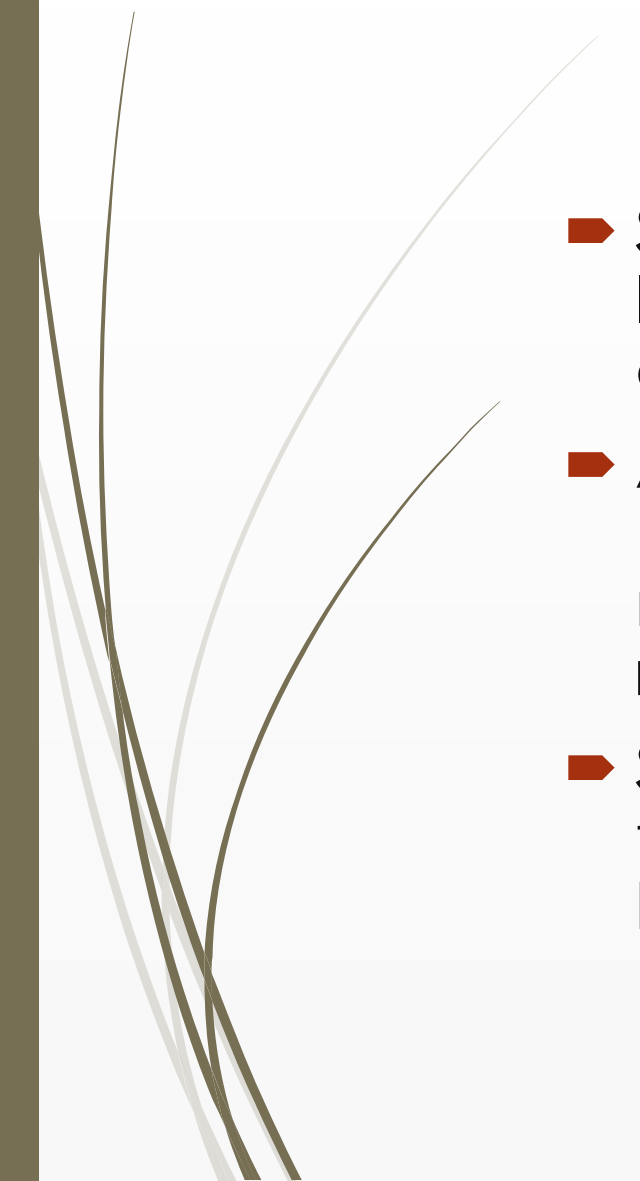


## Cont...

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- Career planning encourages individuals to explore and gather information, which enables them to synthesize, gain competencies, make decisions, set goals and take action.
  - It is a crucial phase of human resource development that helps the employees in making strategy for work-life balance.




## 4. Succession Planning

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- Succession planning is a strategy for passing on leadership roles, often the ownership of a company to an employee or group of employees.
  - Also known as "replacement planning," it ensures that businesses continue to run smoothly after a company's most important people move on to new opportunities, retire, or pass away.
  - Succession planning involves cross-training employees so that they develop skills, company knowledge, and a holistic understanding of the company.





## Cont...

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- Succession planning evaluates each leader's skills, identifying potential replacements both within and outside the company and, in the case of internal replacements, training those employees so that they're prepared to take over.
  - Succession planning is not a one-time event; succession plans should be re-evaluated and potentially updated each year or as changes in the company dictate.



# Benefits of Succession Planning

- Employees know that there is a chance for advancement and possibly ownership, which can lead to more empowerment and higher job satisfaction.
- Knowing that the company is planning for future opportunities reinforces career development among employees.
- Management's commitment to succession planning means that supervisors will mentor employees to transfer knowledge and expertise.
- Management keeps better track of the value of employees so that positions can be filled internally when opportunities arise.




## 5. Job Rotation

- Job rotation is the practice of moving employees between jobs in an organization.
- These rotations are predominantly lateral, meaning that they happen between jobs on the same level and are not considered promotions.
- They are also often temporary with people moving back to their original job after a certain time.
- Job rotation is an excellent way to transfer specific skills, knowledge, and competencies, leading to human capital accumulation.



## Cont...

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- Rotation allows employees to do different jobs leading to a more flexible workforce.
  - If people can be deployed into two or three roles, your total available workforce will be larger and much more flexible to fill any of the available roles.
  - When someone is stuck in a job for 4 or 5 years, they may be at a high risk of leaving. Job rotation offers the opportunity for a change of scenery and challenge people, leading to increased satisfaction and lower employee attrition.




## 6. Job Enrichment

- Job enrichment is a process that is characterized by adding dimensions to existing jobs to make them more motivating.
- Examples of job enrichment include adding extra tasks (also called job enlargement), increasing skill variety, adding meaning to jobs, creating autonomy, and giving feedback.
- Job enrichment is the process of adding motivators to existing roles in order to increase satisfaction and productivity for the employee.
- By Combining tasks, quality circles, suggestion programs, feedback, autonomy etc., job enrichment can be achieved.





## 7. Rewards

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- Reward is an incentive plan to reinforce the desirable behaviour of workers or employers and in return for their service to the organization.
  - Rewards can be monetary in the form of salary or non monetary in the form of awards for some special services to the company or simply giving an employee a work which he enjoys doing.
  - The primary objective of organizations in giving rewards is to attract, maintain and retain efficient, high performing and motivated employees.



## Cont...

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- There can be various types of rewards an organization can give its employees like money, grade, performance based incentive or performance pay, increment, gift cards, recognition or awards, profit sharing, holiday packages, medical coverage, promotion, bonuses etc.
  - They are given mainly to appreciate the performance of employees and to motivate them



# Rewards can be of two types- Intrinsic and Extrinsic

## ➤ **Intrinsic:**

They are incentives which satisfy an employee internally. Only money is not enough to motivate people and it is important to make people realize their contribution to the organization matters.

That motivates employees internally. Intrinsic incentives can be giving meaningful work to employees, giving autonomy to employees, allowing employees to take responsibility in areas of their expertise and provide developmental opportunities to employees


## ➤ **Extrinsic:**

They are mostly tangible incentives like pay, advancement, recognition, time off etc.





# HRD Outcomes

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- People in organizations become more competent because, they become better aware of the skills required for job performance, there is greater clarity of norms and standards.
  - People understand their roles better because of increased communication.




# HRD Outcomes

- People develop greater trust and respect for each other.
- There is greater collaboration and team work which produces synergy effect.
- People find themselves better equipped with problem – solving capabilities.
- People become more committed to their jobs because there is greater objectivity.



# HRD Outcomes

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- Useful and objective data on employees is generated which facilitates better human resource planning.
  - The top management becomes more sensitive to employees' problems and human processes due to increased openness in communication.