

IMPACT OF HRD PRACTICES ON ORGANIZATIONAL DEVELOPMENT

Sd. Ghousul Asvia Begum*

Prof. M Chandraiah**

Abstract

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, nurture and use the capabilities of people. Human Resource Development system aims at creating such a climate. In the ever changing liberalized market scenario and a highly competitive market economy, human resource development practices and organizational culture will provide an edge to organizations. Human Resources Managers are increasingly being expected to take the lead in organisational change activities. This paper provides an understanding of the concept of HRD and highlights the need of human resource development, the changing boundaries of HRD and the impact of human resource development practices on the increasing organizational effectiveness.

Keywords:

Human Resource Development;
Potential Capabilities;
Organizational Culture;
Competitive Market;
Organizational Change;

* Ph D Scholar, Department of Commerce, Vikrama Simhapuri University, Nellore, Andhra Pradesh, India

** Professor, Department of Commerce, VSUPG Centre, Kavali, SPSR Nellore Dist, Andhra Pradesh, India

1. INTRODUCTION

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. HRD is one of the most significant opportunities that employees seek when they consider you as an employer. The ability, and encouragement, to continue to develop their skills help you to retain and motivate employees. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development. The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers. Organizations have many opportunities for human resources or employee development, both within and outside of the workplace. Human Resource Development can be formal such as in classroom training, a college course, or an organizational planned change effort. These are the options that you have for developing your employees. Formal training can add value in your workplace.

In 1970, Leonard Nadler published his book “Developing Human Resources” in which he coined the term ‘human resource development’ (HRD). Human resource refers to the talents and energies of people that are available to an organization as potential contributors to the creation and realization of the organization’s mission, vision, values, and goals.

Development refers to a process of active learning from experience-leading to systematic and purposeful development of the whole person, body, mind, and spirit. Thus, HRD is the integrated use of training, organizational and career development efforts to improve individual, group, and organizational effectiveness.

1. According to South Pacific Commission ‘human resource development is equipping people with relevant skills to have a healthy and satisfying life’.
2. According to Watkins, ‘human resource development is fostering long-term work related learning capacity at individual, group and organizational level’.
3. The American Society for Training and Development defines HRD as follows: ‘human resource development is the process of increasing the capacity of the human resource through

development. It is thus the process of adding value to individuals, teams or an organization as a human system’.

Human Resource Development can be informal as in employee coaching by a manager or internal training and development classes taught by internal staff or a consultant. Mentoring by more experienced employees is also recommended for employee development. It is especially useful as employees become more senior within your organization. Traditionally, executive leaders and senior managers are resistant to training classes and conference educational sessions. Healthy organizations believe in Human Resource Development and cover all of these bases. One option that is recommended, in preference to many other ways in which organizations develop employees, is to provide internal training either with internal staff or a paid facilitator or consultant.

The field of HRD or Human Resource Development encompasses several aspects of enabling and empowering human resources in organization. Whereas earlier HRD was denoted as managing people in organizations with emphasis on payroll, training and other functions that were designed to keep employees happy, the current line of management thought focuses on empowering and enabling them to become employees capable of fulfilling their aspirations and actualizing their potential. This shift in the way human resources are treated has come about due to the prevailing notion that human resources are sources of competitive advantage and not merely employees fulfilling their job responsibilities. The point here is that the current paradigm in HRD treats employees as value creators and assets based on the RBV or the Resource Based View of the firm that has emerged in the SHRM (Strategic Human Resource Management) field. The field of HRD spans several functions across the organization starting with employee recruitment and training, appraisals and payroll and extending to the recreational and motivational aspects of employee development.

Literature Review

T.V. Rao, in his book on “The HRD Machinery” explained HRD instruments, processes and outcomes, HRD Departments and their tasks, structuring the HRD function, qualities, and competence requirement of HRD managers, developing HRD managers, traps and temptations of HRD managers and HRD instruments”.

Rao T. V. (1986) in his paper entitled, Integrated HRD system declares that HRD is a process and not merely set of mechanisms and techniques. The mechanisms and techniques such as performance appraisal, counseling, training, organizational development, interventions are used to initiate, facilitate and promote this process in a continuous way. Rao opines that to get full benefit of HRD, it must be introduced as a total system within the organization. The various HRD mechanism and subsystems given in the study will provide a basis for the proposed study in knowing as to how these systems have been adhered to by the rural banking. There is no detailed mention of the personnel policies in this study. Therefore, for making the study more comprehensive personnel policies should be given the priority as these help in career planning and development, potential appraisal, training and other mechanisms. Again all these mechanisms are of no use unless the employee is communicated about his weaknesses and strengths through proper counseling.

Agarwal Ashok and Udai Pareek (1997) in their study entitled "The Role of HRD in Service Sector" opined that service sector is a large sector with great variations. This study deals with service sector in general and road transport and health sector in particular. In an economy like ours where human resource is available in plenty, HRD in service sector is extremely important. Some unique features of service sector are: services are intangible, they are produced and consumed simultaneously, and they are holistic and integrated. An innovative approach is needed especially in strategic thinking and HRD in service industry. In the two service sectors under study authors have expressed that the productivity in both sectors is low, although employees in transport company are empowered to take decisions and action within some set criteria. The company also provides for better hygienic factors, medical care and education etc. for its employees. They are of the opinion that for effective HRD in service sector performance appraisal and review, reward system, competence building and culture building are very important. Also employees require to be empowered for quick decision making.

Uthayasurian K. (2002) in his study entitled — Developing a performance Oriented Climate has analyzed the employees perception of organizational climate. After studying the said climate in his case study on Bharat Heavy Electrical Ltd., he found considerable scope for improving the

organizational climate as man is more than a biological animal. Besides physiological needs he has other social and psychological needs for which the other factor like performance review and reward, personnel policies and participative management need to be appreciated adequately. Hence by paying special attention to these needs, overall performance of organization would improve.

According to Adekass (2008), there are many types of training and manpower development programmes available. The particular method chosen by a company can be influenced by considering cost and time available, number of persons to be trained, depth of knowledge required, background of the trainee, etc. Manpower development is a systematic process of training and growth by which individuals gain and apply knowledge, skill, insights and attitude to manage work and personnel effectively. It involves the estimation of the demand for the supply of management staff for the organization in future. It is the involvement of efforts aimed at improving the quality as well as the number of management staff. Studies showed that many workers fail in organizational expectations because the training needs were not identified and provided for. Development may help to build confidence in the workers and make them work more efficiently and effectively.

Studies (Gberevbie, 2012; Nzuve and Bundi, 2012; Yusuf, 2010; Gildado, et al., 2014) have focused on human resource development as a correlate of performance in banking industry. Specifically, Yusuf (2010) revealed that investment on human capital has a significant positive impact on the book value per share on Nigerian banks. This means that, as more money is invested on the human capital of banks in Nigeria, the book value per share increases significantly. However, Nzuve and Bundi (2012) found a low positive correlation of 0.102 between turnover growth and recruitment excellence as a human capital management practice. Moreover, the contribution of human resource development to the performance of banking industry is a dynamic issue which should be assessed frequently due to ever changing in the requirements of the corporate world from their employee as the world is now a global village. Jyothsna & Kumar (2015) provided empirical evidence regarding the factors of performance appraisal that influence organizational commitment and job satisfaction among private sector bank employees in India. In this research, job satisfaction was considered as dependent variable

while elements of rater, elements of rate, environmental aspects, organizational commitment and organizational citizenship behavior were included as independent variables. Results of regression analysis highlighted that performance appraisal factors, organizational commitment and organizational citizenship behavior have a significant impact and positive impact on job satisfaction of employees in private banks in India.

Maha Ahmed Zaki dajani (2015) conducted a study to understand the impact of employee engagement on job performance and organizational commitment in the banking sector. The key drivers influencing employee engagement are leadership, organizational justice, compensation, work policies and procedures, Training and development. The select all key drivers' factors are positively correlated to employee engagement, in turn these employee engagements create active job performance and organizational commitment of banking employees.

2. RESEARCH METHODOLOY

Objectives of the Study

The rationale of the study is to make an assessment of organizational development through human resource development practices. Precisely, the objectives are:

1. To know the importance of Human Resource Development in the organizations.
2. To identify the impact of Human resource development on the performance of the organizations.
3. To analyze the human resource development practices and its impact of organizational performance.
4. To study the organizational effectiveness through human resource development.

Methodology Used

The study is based on secondary data, which is collected from library, text books, journals, and articles from relevant websites available on internet. The research article has been developed from information searched from published research journals in the form of research articles, research reports of various organizations and books of Human Resource Development.

3. THE NEED FOR HRD

HRD is about adult human beings functioning in productive systems. The purpose of HRD is to focus on the resource that humans bring to the success equation— both personal success and organizational system success. The two core threads of HRD are (1) individual and organizational learning, and (2) individual and organizational performance (Ruona, 2000; Swanson, 1996; Watkins and Marsick, 1996). Although some view learning and performance as alternatives or rivals, most see them as partners in a formula for success. Thus, assessment of HRD successes or results can be categorized into the broad domains of learning and performance. In all cases, the intent is improvement.

HRD is needed by any organization 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 organization 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 organization may be said to have an “enabling” culture. Even an organization that has reached its limit 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.

Organization and HRD

HRD is a sub-system that operated in the main system; the organization. In order for the organization to be successful the objectives and goals of the subsystems must be aligned towards achieving the set goals of the main system. For example, the primary objective of the organization would be to maximize return on shareholder investment. We may find that the objectives of training and development would be a level removed down, that is to maximize the capabilities of the employees, induce innovation, and produce high quality products and service. They may be different but a closer look at each of these objectives reveals that they serve a singular purpose; maximize the return.

HRD and Motivation

Motivation is certainly the key for the people to keep returning to the job. However it must not be viewed through a single window which shows you that rewards and bonuses makes people motivated. In fact rewards and bonuses and all other financial and intrinsic benefits are classified as hygiene factors. These factors acts as motivators up to a certain level, beyond that they become satisfiers. Extrinsic factors such as the pure feeling of achievement, recognition, job enrichment, job enlargement and training and development are motivating factors. Achievement, job enrichment, job enlargement and training and development are essential elements of HRD and as we can see these elements dominate the motivating factors.

Training and development

Training is a process whereby people acquire capabilities to aid in the achievement of organisational goals. Simply put training facilitates individuals with the knowledge and skills that are required to perform the present job. It differs from development where, development has a broader impact in providing new skills that is required to perform both present and future jobs

Organizational Learning

CIPD defines learning as an environment where individuals 'learn to learn' and possess the capabilities that enable them to do so to help their employers to build and retain competitive advantage. According to CIPD a firm can achieve competitive advantage when individuals actively seek to acquire the knowledge and skills that promote the organization's objectives. In other words organizations must transform into learning environments, where continuous learning is experienced, thus transforming into a Learning Organisation. Learning organization thrives for continuous improvement of its capacities in order to make the organisation ready to face the future.

Other Employee Development Approaches

Development is the growth or realization of a person's ability and potential through the provision of learning and training experiences. Different Organisations adopts different activities in order to enhance their learning capabilities. According to Armstrong, a balanced approach is required, making use of the various forms of learning and development to produce a coherent strategy that contains the plans for creating and maintaining a learning climate and developing and

implementing complementary and mutually supportive learning activities both formal and informal.

Coaching and Mentoring

Coaching and mentoring are informal development activities that organizations practice to facilitate learning. Coaching is an approach based on a close relationship between the individual and one other person, usually their immediate manager, who is much experienced. Mentoring benefits from two aspects; the career aspects that primarily enhance career advancement and the psychosocial aspects which enhance a sense of competence. The continuously analysis and constructive criticism and guidance received from the coaches and mentors directly contributed to positive performance. Organisation also benefits, saving a great deal of cost using their own senior experienced staff to develop the junior staff.

Talent management & Career Development

Talent management is often described as a future-focused activity, encompassing the identification, development, engagement and deployment of 'talent', with organisations using it to develop their workforce to meet the strategic needs of the organisation. Career development theories that describe adult career development are important contributors to HRD practice because they describe adult progression through work roles. Employees today must look out for themselves to build their own career and education will becomes an investment and varied experience will becomes an asset that will eventually give advantage to employee in the form of employability.

Knowledge management

Perhaps the most important aspect of HRD is to retain the knowledge invested over the time on individuals. Employment has become more mobile, where individuals change their jobs in pursue of building their career. In other words, as an individual leaves an organization the knowledge also leaves with him. Finding ways to retain this knowledge in a database or in retrievable form that is accessible by others in the organization turns information into useful knowledge crucial to improve process and increase profits

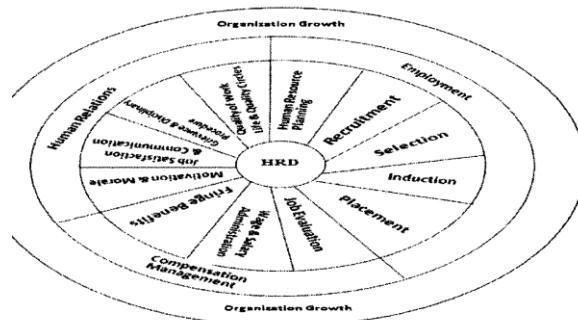
The Role of Productivity is Important!

The successful economic performance of an enterprise is a prerequisite for the growth and security of its employees. The role of productivity, therefore, assumes great importance. Improving productivity has always been a live issue for management. As the profitability of an organization mostly depends on improvement in productivity. Therefore, managers are always striving to find ways for achieving the target of improved productivity. Productivity is usually defined mechanically, as the ratio between input and the output. But, it is, in fact, an organizational challenge encompassing the human, cultural, technological and moral aspects. It is an all-out effort in every sphere of activity of the organization. An effort towards achieving the target of most efficient management of all the available resources.

4. HRD MECHANISMS

HRD is a total system with various sub systems. Various HRD thinkers and professionals have designed the mechanism of HRD in different ways. Prof. T. V. Rao opines that the sub systems should comprise the performance appraisal, potential appraisal and development, feedback and performance coaching, career planning, training, organization development, rewards, employee's welfare and the quality of work life and human resource information system. There are many instruments that can be used to facilitate HRD. These instruments may be called sub systems, methods or mechanisms. Each of these sub systems focuses 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 an HRD instrument.

Fig.1.1: STATUS OF HRD IN AN ORGANIZATION



The most frequently used HRD mechanisms are:

Manpower Planning

Manpower planning is the process which assesses and determines that the organization will have an adequate number of qualified persons available at specific times, performing jobs which would fulfil the needs of the organization and which would provide satisfaction for the individuals involved. It is an endeavour to catch demand and supply.

Recruitment, Selection and Placement

Generation of applications for specific positions for actual or anticipated vacancies is known as Recruitment. Through ideal recruitment procedure suitable applicants could be identified. Selection is the process of ascertaining the qualifications, experience, skill, knowledge etc of an applicant with a view to appraising his/her suitability to a job. The selected candidate is assigned the most suitable job is

Training and Development

The two terms are quite identical to each other, but they are not the same in meaning. Training is a learning process that aims to permanently improve the ability and behavior of the employees by enabling them to acquire new skill, knowledge and attitude for more efficient performance. This includes:

- Identification of training needs
- Developing suitable training programmes
- Providing requisite job skills and knowledge to employees
- Evaluating the effectiveness of training programmes

Development is the growth or realization of a person's ability, through conscious or unconscious learning. Development programs usually include phases of planned study and experience, and are usually supported by a coaching or counseling facility. Development occurs when a gain in experience is effectively combined with the conceptual understanding that can illustrate it, giving increased confidence both to act and to perceive how such action relates to its context.

Performance and potential appraisal

If the performance of people is to be enhanced, their performance needs to be periodically evaluated. For this purpose, performance appraisal interviews between the manager and the subordinate are to be conducted at regular intervals. During these interviews, the performance over the review period is evaluated; strengths and weaknesses identified, and reasons for any shortfall in performance are examined. The goal, objectives, and action plan with target dates for future are also worked out. Different methods like ranking method, paired comparison method, graphic rating scales method, forced choice list method, forced distribution method, field review technique, rating by self and the peer group, 360° performance appraised, etc. can be used as per need and requirement. Potential appraisal means the possibility of career advancement. A dynamic and growing organization needs to continuously review its structure and systems, creating new roles, and assigning new responsibilities. Capability to perform new roles and responsibilities must continuously be developed among employees. Potential appraisal focuses on identifying the employee's likely future roles within the organization, and can be assessed by

Feedback and performance coaching

Feedback of performance is an important control measure. Knowledge of one's strengths help one to become more effective to choose situations in which one's strength is required, and to avoid situations in which ones weaknesses could create problems. This also increases the individual satisfaction. Often,

people do not recognize their strengths. Managers in HRD system have the responsibility for observation and feedback to subordinates about their strengths and weaknesses on a continuous basis. These are also responsible for providing the employees proper guidance to improve their performance capabilities.

Employee's career planning and development

Career planning essentially means helping employees to plan their career in terms of their capabilities within the context of organizational needs. The HRD philosophy is that people perform better when they feel trusted and see meaning in what they are doing. People want to know the possibilities for their own growth and career opportunities. As managers have information about the growth plans of the organization, it is their responsibility to transmit information to their subordinates and to assist them in planning their careers within the

organization. In the HRD system, long term corporate growth plans are not kept secret but are made known to the employees.

Development and training programmes

Training and development programmes can be designed to improve performance and to bring about measurable changes in knowledge, skills, attitudes and social behaviour of work force for doing a particular job. Training is linked with performance appraisal and career development. Employees generally are trained on the job or through special in house training programmes. Some employees may be deputed for outside training 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 organization. Periodic assessments are made of the training needs within the organization. Training programmes are developed and conducted by in house trainers or consultants / institutions hired for the task. The effect of all training programmes are monitored, analyzed and used for fine tuning. Managers and employees who attend in house or outside training events are also expected to submit suggestions concerning any changes they would like to be implemented on the basis of their new Assessment and development centre

A centre can be an end in itself for assessment of need, potential and appoint ability or it can be a means to an end. These means can be diagnostic tools by which appropriate action can be taken to help an individual and or group of individuals to upgrade their managerial performance against an agreed set of criteria. If the criteria have been drawn from the job through job analysis and the current level of performance assessed against them in job relevant but unfamiliar situations, good quality information can be gathered from which one can draw up developmental plans. Developmental applications of assessment centers represent an emerging exciting area for practitioners interested in maximizing the benefits of assessment centers. Development centers can also serve as a development tool for employees. These are workshops which measure the abilities of participants against the agreed success criteria for a job or a role.

Organization Development

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

Employee's welfare and quality of work life

Employees at lower levels in the organization usually perform relatively monotonous tasks and have fewer opportunities for promotion or change. In order to maintain their work commitment and motivation, the organization must provide some welfare measures, such as medical insurance, disability insurance, holidays, vacations, etc. Quality of work life programmes generally focus on employee needs and meeting them to the extent feasible. Job enrichment programmes, educational subsidies, recreational activities, health and medical benefits, etc., generate a sense of belonging that benefits the organization in the long run.

Quality circles (Participative Management)

Co-operation and participation between management and labour at the undertaking level serves to ensure increased production, secure full recognition of the importance of the human element in the industry, greater interest in the general operation and improve industrial relations. There are various forms and styles of participative management. One of them which is widely applied and practiced is 'Quality Circles'. Every human being is a veritable storehouse of ideas. In normal working, he is generally not called upon to contribute ideas. He is, at best, asked to perform a given set of duties. Given the right kind of environment, he will be inspired to also lend his intellect and creativity to the organization. Quality circles lead to a good participative environment and greater acceptability of decisions. Since the employees are not very good at analyzing and decision-making, the part of quality circle includes teaching employees group communication skills, quality strategies and measurement and problem analysis techniques.

Human Resource Information Systems

A systematic way of gathering and storing information about each individual employee for the benefit of planning, decision-making and supply of returns to external agencies at the organizational level is known as human resource information system. A variety of records are maintained to meet the needs of manpower planning, recruitment, development of people, compensation, integration and maintenance and separations not only for internal control, feedback and corrective action, but also to meet the various constitutional obligations.

Organisation Performance

Organization can establish a sustainable competitive advantage through the implementation of a value or a competitive advantage creating strategy, which is not being carried out by any current or potential competitors. Under the resource-based view of the firm, successful firms can achieve sustainable competitive advantage by acquiring and maintaining valuable idiosyncratic resources, which are rare, imperfectly imitable and non sustainable, and a firm's HR can be a source of this sustainable competitive advantage.

5. HRD & OD

Human Resources Development is the improvement of skills, knowledge, and indirectly, the value of the employee in the organization. It is the responsibility of managers, and Human Resources Department. Organisation Development is a description of change needed in the organization if it is to reach its future goals. Sometimes, organizations then try to accelerate this change by creating OD plans which involves managers from all departments. Sometimes, they create a new department called OD. This helps to accelerate the change by moving resources and management to a special task. Of course, this type of change affects people, so HR development specialists are often involved in OD. However, it is a mistake to describe HRD and OD as the same thing.

Organization Development (OD) is broadly defined as the way organizations change and evolve. The process of planned change is best achieved through organizational strategy. The elements involved in a OD functional processes need to be carefully analyzed to create a plan for change. How the plan is to be implemented, evaluated and measured must be well established within the OD strategy. The following example of a major OD function that may be affected

through strategic planning is Innovation. The concept of innovation as it relates to creative thinking to improve processes, research and development, and marketing all serve as possible competitive advantages that are of particular importance in OD. Being the first to market with a new product or service and being able to deliver in a timely manner for instance directly involve innovative planning. OD strategy should involve a systemic plan to monitor the entire organization as a whole. The plan should also include ways to make changes and corrections as needed to achieve the intended result. Changes to a single process usually will affect other process. These secondary process should also be analyzed avoid to unintended results.

Organizations strive to plan ways to reduce costs and maximize production and profits. This ideal concept involves many different concepts and process that are implemented by personnel. The Human Resources Development (HRD) department should be an interracial part of the overall OD strategy by directing personnel toward the desired outcomes. Since HRD is a part of OD the strategic planning will involve similar and or the same concepts. HRM, HRD and OD disciplines are all founded on the belief of self-renewal, and seek to build flexible and adaptable capability in both individuals and the organisation. In the 2011 Learning and Talent Development Survey the CIPD stated;

“Practitioners are beginning to deliver differently and to link Learning and Talent Development to change and organisational development. They are looking to build capability and lift performance through interventions such as coaching and leadership development.”



HR's agenda has expanded to include all aspects of people processes which can deliver organisational effectiveness; the right people, the right culture, the right leadership, the right organization design, the right change management and the right people processes.

Through all these activities there are OD threads including;

1. Change management
2. Strategic Organisation system alignment
3. Capability Development
4. High Performance Culture Development
5. Long Term Perspective

HR and OD therefore, have a number of things in common. Through utilizing systems thinking, HR and OD practitioners can work together to support the organization in its pursuit of sustainable long term performance. As HR takes on an increasingly transformational role, OD will enable HR professionals to:

- support transformation
- work on organization design
- design and deliver learning and development interventions
- support clients in major change and organization design projects
- analyze and improve the overall health of the organization
- keep the organization healthy and fit for future challenges.

And HR can best deliver effective OD through line managers; these are the primary practitioners of organisational development. Leaders hold the custodian role, safeguarding and improving organisational health and performance. HR needs to work closely with senior leaders, turning them into commissioners of OD who are able to diagnose and understand their impact and role in improving organisational health, who appreciate that an organization is a human system, not just a technical system. HR needs to ensure that leadership capabilities are transformational, not just transactional. Leaders need to add to their ability to interpret the data on the horizon to manage the environment, form effective strategies and delineate organization performance outcomes. They need to make sure their organizations stay relevant to their key stakeholders, with further ability to focus inward so that the vision, mission and culture of the organization are aligned. And they need to be able to understand sufficient human dynamics to make sure that sufficient

and robust processes exist within the organization culture and practice to inspire people to come along with them. In other words, leaders need to ensure that the organization's internal capability matches the strategic ambition.

But it must be remembered that Human Resource Development entails many concepts that centre on the economic value of personnel to an organization. In recent years, one particular concept of increased interest is the "measuring" of the processes and affects of HRD. These HRD measurements are seen as a leading indicators rather than lagging indicators such as financial reports. The HRD measurements are documented to track how well each process is contributing to the overall OD strategy. HRD must define and identify the performance drivers and enablers of the organization that fit into the OD strategy. A performance driver that is identified to increase customer satisfaction may stem from training sales associates to ask customers certain questions that will better describe the customer's needs and desires. These measurements also allow for the verification of how HRD contributes to the strategy and bottom line of the organization.

A quality HRD department is a strategic partner and asset to the organization. A major concept in HRD is the process of defining and training personnel in specific competencies. One of the functions of training is developing behavioral changes in personnel to the betterment of both the person and the organization. These are valued changes such as increasing competencies that improve process skills that further lead to the creation of opportunities for recognition, promotions for the employee and increased productivity for the organization. The process of matching proper personnel to the position or tasks is also an important concept in HRD. Spending the right amount of time and money in recruiting quality personnel is a trade off that, done properly, will result in lower turnover rates, higher aptitude toward learning the required competencies of the positions and innovations of improving the positions and processes.

Linking People's Processes to Organizational Strategy



6. Organizational Effectiveness through HRD

In the ever changing liberalized market scenario and a highly competitive market economy, human resource development (HRD) practices and organizational culture will provide an edge to organizations. This article attempts to understand the effect of HRD practices on organizational effectiveness. The current economic situation today not only at the global level but also in the country demands changing workplace now to focus more on HRD practices to scale up their level of performance. HRD is an ongoing process whereby employees are constantly learning, unlearning, changing, adapting and reinventing themselves for organizational objectives and set out goals. HRD deals with creating the enabling environment that allows people to get the best out of themselves and perform optimally. People must build value-added HR practices and competencies that align with and help accomplish strategic organizational goals. HRD is believed to promote autonomy and organizational independence. The integration and globalization, not just of the economy, but also of technology, culture and governance brings different nations and people closer and the utilization of effective HRD will lead to high performance and productivity among them. The world has a huge population in the working age

group and potential working population. Efficient use of HRD will facilitate a rise in the standard of living and organizational achievements.

HRD functionaries analyse the situation to determine realistic ways in which the management practices can be developed or modified to achieve the intended organizational goals. A market place has an unprecedented degree of flexibility. There will be cultural differences within any global organization. In order to reach common goals and values; HRD function can help the organization to function as a unified and successful entity. However, some people believe that organizations do not possess values, but key players in organizations do; that means individuals possess values and at times the most powerful of them can influence the goals and policies of their organizations and mend in the direction that are consistent with their personal values. To achieve success they have to initiate, promote, device, and follow up HRD practices in the organization. HRD is now widely seen "as a system of frameworks, methods and processes aimed at systematically discovering, developing and using a person's capabilities to the fullest extent both for individual and organizational growth.

Organizational effectiveness through HRD can be achieved through the following:

HR Competency Flexibility

HRD utilizes HR competency flexibility which refers to the possibility of varying the quality and quantity of employee attributes such as knowledge, skills and behaviors to changing environmental conditions. HR flexibility consists of three distinct dimensions, namely: flexibilities of skills, behaviours, and HR practices which indicate that internal flexibility HR practices are positively related to innovativeness.

HRD has explored the construct of HR flexibility and its relationship with firm performance to improve organizational effectiveness. In a dynamic competitive environment, components of HR flexibility should be seen as strategic assets that provide long-term competitive advantage to organizations by developing the ability to flexibly achieve fit with constantly changing strategic needs for human resources. HRD also reveals that flexibilities of skills, behaviors and HR

practices have both direct and indirect effects on firm-level HR outcomes as a structural mechanism in achieving superior organizational performance and achievements.

Continuous Performance Improvement

HRD brings about Continuous performance improvement (CI) which is a planned, organized and systematic process of ongoing, incremental and company-wide change of existing practices aimed at improving organizational performance. Studies have shown continuous improvement as a distinctive capability and a dynamic process which is a key element of competitiveness for organizational systems. Continuous Improvement (CI) helps to generate organization-wide process of focused and sustained incremental innovation such as improvement of products, processes, or services, reducing waste to improve workplace functionality, customer service and product performance. Therefore it is believed that there is a link between CI and continuous innovation.

Innovation Establishment

HRD helps to improve organizational effectiveness through Innovation establishment which is the establishment of new product, process, marketing method or organizational method which significantly improves business practices and workplace organization. This aspect utilizes multi-skill training which encourages the human flexibility bringing positive impact to the degree of openness and acquisition of new knowledge as well as new idea, which in turn, increases business performance.

Learning-oriented Culture

HRD effectiveness in an organization also brings about learning-oriented culture which is known as common beliefs, values and assumptions of organizational members on creating, acquiring, and transferring knowledge, and modifying its behavior to reflect new knowledge and insights. Studies showed that various skill training and development programs are known to be significantly associated with quality service and organizational growth. HRD reveals that training and development are perceived as necessary for organizational survival in a rapidly changing liberalized market which results into a strong positive impact on the performance of individuals, teams and the organizations as a whole. Organizational learning culture enhances the

level of career/job, participative decision making and empowerment, leadership behaviors inspiring teamwork. Effective HRD has shown that learning-oriented culture has a positive direct impact on both aspects of non-financial performance but has an indirect effect on financial performance.

7. Role of HRD in Facilitating Learning in the Organizations

Learning encompasses a wide variety of terms and concepts. This article looks at the meaning of learning in an organizational context. The key point to note about learning in an organizational context is that unless employees continually learn and pick up skills, they would be left behind as well as eroding organizational competitiveness. Especially in the technology and financial sector, learning is a continuous process that ought to take precedence over other aspects since technology keeps changing every now and then. The point here is that unless employees learn and their learning is facilitated by the HRD function, the organizations would fall behind in the race for competitiveness. Hence, the HRD function has a pivotal role in facilitating learning in the organizational context. Learning can be on the job or through training. On the job learning is mostly from peers and colleagues and is accomplished by the employees doing shared work that would make them pick up new skills and traits in the workplace.

Often, many companies encourage teamwork and collaboration so as to foster a culture of learning and cooperation along with collaboration. In the contemporary context, companies like 3M are said to be examples of true learning organizations where the organizational culture is geared towards making employees learn new skills and attributes on the job. The point here is that organizations and the HRD function must enable learning to take place and ensure that employees learn on the job.

The next aspect to learning is that the HRD function must conduct periodic trainings in technical skills as well as soft skills so as to familiarize their employees with the latest technologies and concepts in the management sciences. Further, soft skills trainings need to be imparted as a means of ensuring that employees are at the forefront of leadership challenges and achieve success through fulfilment and actualization. In many multinationals like Fidelity and IBM, each employee is given a certain number of hours as training so as to enable them to do better and be at the cutting edge of technology and soft skills. Further, learning is a process that continues at

all levels and hence the HRD function must make use of the knowledge that is available at all levels and impart it to the employees.

This can be done through interactions between the middle management and the senior management where the senior management shares their knowledge and experiences with the managers and helps them grow as individuals and empowers them in an organizational sense. Learning is a process that is a combination of drive within the individual and catalyzed by external agents. Hence, employees must have the

urge to learn and this must be encouraged by the managers and the HRD function. The point here is that there should not be any holding back of knowledge and expertise either from the learner or the imparter.

Finally, the best learning happens when employees discover the insights for themselves. Hence, all efforts of the HRD function must be geared towards ensuring that employees ignite the spark of creativity and stimulate their thirst for learning. In conclusion, learning organizations thrive amidst turbulence and uncertainty and hence, all efforts must be made to ensure that employees and the organizations grow together.

CONCLUSION

Due to globalization there is increase in competition as a result development of human resource has become essential in virtually every organization. However, organized HR practices are being adopted mostly by many small companies. Organizational effectiveness through HRD in the changing liberalized markets cannot be over emphasized because the HRD department is responsible for developing the feeling of motivation in the employees; this motivation in other words is the commitment of the employees towards the job and the organization. When the work of HRD is done effectively it would result into co-operation among team members, demolition of centralized system of decision making, creates homely environment, feeling of ownership and positive working atmosphere for the employer and employees.

REFERENCES

- [1] Pareek, “OD yesterday, today and tomorrow”, *NHRD Network Journal*, 2 (3), 165-167., 2008.
- [2] Pareek, Udai & T V Rao 2008, “From a sapling to the forest: The saga of the Development of HRD in India” *Human Resource Development International*, 11(5), 555-464.
- [3] Ramnarayan, S and Rao, T. V. Rao “Organization Development: Accelerating Learning and Transformation”, New Delhi: Sage Publishing house, 2011.
- [4] T. V.Rao, “Future of HRD”, New Delhi: Macmillan India, 2003.
- [5] Athreya, M. B. “Integrated HRD System-Intervention Strategies, Alternative Approaches and Strategies of Human Resources Development”, Rawat Publications, Jaipur, 1988.
- [6] John, P. W., “Human Resource Development. 2nd Edition. Learning & Training for Individuals and Organizations”, Kogan Page, New Delhi, India, 2005.
- [7] Richard A. Swanson, Elwood F.Holton III, “Foundation of Human Resource Development,” 2nd Edition, Berrett-Koehler Publishers, 2009
- [8] <http://www.whatishumanresource.com/human-resource-development>
- [9] <http://sites.google.com/site/dougroggehr101/3-2>
- [10] <http://www.farsightitsolutions.com/Organizational-effectiveness-through-HRD.html>.