



Current Trends of HRD Practices in Changing Business Environment: -Empirical study

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Abstract

Change is the essence of life. In the 21st century, an environment has been created that almost compels Indian Industries to rethink their vision and mission about HRD processes, practices and perspectives. Changes are inevitable every where i.e. in our personal life, social life, work life, in nature, in society, in universe etc. We cannot avoid changes, but we can adjust and adapt to such changes for betterment. HRD has to play a crucial role in today's business scenario. Today's age is age of globalization, which is characterized by intense competition, technological innovations consumer satisfaction, competitive advantages etc. Here, the human resource provides impetus to business organisation to deal with such complex situations in the business word. For this, managing HR more effectively becomes imperative. Continuous development of competencies, Develops a proper climate for excellence of the organisation, motivate the individuals to develop and utilize their capabilities, for improving systems and services, for becoming more dynamic and for playing leadership's role. This empirical study focus on HRD practices in modern organisations. Based on this research, made to certain conclusion on HRD – practices in the changing business environment.

Key Words: HRD, OCTAPACE, Performance Appraisal, T&D, Modern Organisations

Introduction

In the present scenario, an environment has been created that almost compels Indian Industries to rethink their vision and mission about HRD processes, practices and perspectives. HRD is the process of increasing the capacity of human resources through development. The HRD practices that are utilized for sharpening the capabilities of the employees are many. Earlier, the only practice that was synonymous with

HRD was training. But today organisations have realized that there are various tools available to them to tap the human potential. Various HRD thinkers and professionals have designed the practices of HRD in different ways.

Concept of HRD

HRD is the process of increasing the capacity of human resources through development. In other words, HRD is a process of adding value to individuals, team, and



organization as human system. HRD includes development of people, organization and provides a framework for self development, training programmes and progression to meet the organization's future skill requirement, (TVRao 1999). The most fundamental post of HRD is HRD philosophy. It represents those basic beliefs, ideas, principles and views which are held by the management with respect to the development and growth of its employees. It plays two important functions i.e. (i) A management style of manager develops his practices on the basis of his philosophy (ii) Make organizational goal more explicit.

HRD in changing scenario

Changes are inevitable everywhere i.e. in our personal life, social life, work life, in nature, in society, in universe etc. We cannot avoid changes, but we can adjust and adapt to such changes for betterment. HRD has to play a crucial role in today's business scenario. Today's age is age of globalization, which is characterized by intense competition, technological innovations consumer satisfaction, competitive advantages etc. Here, the human resource provides impetus to organisations to deal with such complex situations in the business world.

The change and the new challenges

In this day and age, organisations are forced to thrive on the cutting edge competition using the most appropriate technology. For this, managing HR more effectively becomes imperative. The

performance of HR managers is being continuously scrutinized and under constant pressure to keep up the spirit of employees and help them work normally. Business are recognizing HR's role as a value adder and growth generator. HRD plays an important role in the organisation and its has included 4 partners i.e. a) The Person, (b) Immediate boss, (c) HRM-Department, (d) The organisation. The development process of an individual has 4 components i.e. knowledge, skills, attitudes and build values beliefs.

Factors contributing to the growth of HRD in organisation

- Increasing competition
- Expansion and Growth
- Rapid Technological change
- Lack of suitable man power
- Changing needs of people

Objectives of HRD in an organisation

- to create good working conditions
- to prepare employees to cope with functional complexities
- to facilitate integration of changes may be in social, economic and technological
- to achieve multiple goals i.e. competency development, motivational development and organisational climate development
- to develop constructive mind, team work, inter - team collaboration, organisational health, culture and effectiveness



➤ to maximize the utilization of HR for the achievement of organisational goals

Need for HRD in changing business environment

⊖ Continuous development of competencies in people

⊖ Develops a proper climate for excellence of the organisation

⊖ Motivate the individuals to develop and utilize their capabilities

⊖ For improving systems and services

○ For becoming more dynamic and for playing leaderships role

The characteristics of HRD in a changing environment are:

▶ Developing people / personnel into being more resourceful and energetic

▶ Developing team spirit in organization and encouraging the personnel to grow and change, to be consistence with today's values

▶ Enabling the individuals to solve complex problems more competently with innovativeness

▶ Developing a greater degree of commitment to change in organizations.

Concept of HRD Climate

HRD climate is an integral part of organisational climate. HRD climate is the perceptions that the employees have about the policies, procedures, practices, and conditions and which exist in the working environment. The indicators of HRD climate are related to the perceptions about performance appraisals, promotions, rewards, training, top management support etc., The elements of HRD

climate can be grouped into three broad categories; i.e. general climate, OCTAPACE culture, and HRD mechanisms. The OCTAPACE items deals with the extent to which openness, confrontation, trust, autonomy, proactivity, authenticity and collaboration are valued and promoted in the organisation.

Contributing factors to HRD climate

❖ Top management style and philosophy

❖ Personnel Policies

❖ HRD instruments and systems

❖ Self – renewal mechanisms

❖ Attitudes of personnel and HRD staff

❖ Commitment of Line Managers

The success of HRD in an organisation depends to a large extent on the existence of a favourable HRD climate. HRD is more personnel oriented than technology – oriented and believes that participation and communication would bring about greater commitment, efficiency and growth of individuals. HRD has become a fashionable term for even the routine personal management functions like dealing with people in the organization right from recruitment to retirement, training, development, salary / wages administration; P.A, career development, succession plans and cover all aspects relating to knowledge, skill and attitude. Development of human resources is a specialised function. One of the central and legitimate purposes of modern management is the development of people by providing



the right environment where the individual may grow to his fullest stature and realize his fullest potentialities. The growth and progress of an organization lies in the development and growth of its human resource.

It has been increasingly realized that employees are the greatest assets of an organization companies must make use of the greatest competitive weapon- the powerful resources of motivated, energized, co-operated active and trusted people. Massive investments are required human capital. Expenditure on education, training, health, recreations of human beings are usually referred to as investment in human capital. So variety of methods, types and techniques of training are being used in order to cash in on human capital whose potential is much greater than any other thing

The Present Study

The foregoing discussion amply supports the view that the existence of efficient trained and developed workforce to survival of modern organisations. How effectively and efficiently these organisations have been performing naturally depend upon how best the management in these organisations have taken care of HRD practices in the changing business environment.

Importance of the Study

Public and private companies occupy a key place in the Indian economy in terms of employment and investment. Over a period, public and

private industries have grown both in number and size and spread to most of the vital sectors of the economy. These industries are endowed with several objectives, such as promoting industrialization, developing core industries, to fulfill social as well as workforce expectations, providing quality goods and efficient services to the customers, and reducing regional imbalance. Both public and private industries are expected to fulfill social as well as economic obligations to ensure all-round development of the economy. Due to technological upgradation these industries are changing their objectives and goals towards the productivity, profitability as well as the downsizing their workforce. After LPG policy implementation, the industries are forced to upgrade their production technology and modernize their industry. This emphasises the necessity of HRD, identifying the nature of human relations and problems of human behaviour in the modern industry and find suitable measures to develop the human resource in an effective manner.

Statement of the problem

The success of the organization depends upon the rapport maintained by the supervisors with subordinates. Happy employees are able to maximise productivity only when they feel that the working environment is conducive with smooth relationship. But it was observed that the select industries' present HRD environment and human relationship are not upto the standards and



prescribed HRD. But in practice, Human Resource Development faces various constraints in the organisational context. The awareness of HRD practice among employees is in absence. The employees' satisfaction on HRD practices is differed from employee to employee. The employees' expectations also differed from industry to industry. The employees' development in industrial sector is still in developing stage. The top management is followed modern methods of management. The HRD policies are created by the top management. It is implemented by middle and lower level management and it crosses many hurdles in the implementation process. It should get employees' co-operation and supports. From many practical obstacles of HRD practices, this study evaluates the effectiveness of HRD practices in modern companies.

The main objectives of this present study

- To find out the nature of HRD climate in modern organisation
- To identify the managerial personnel's perception towards HRD climate
- To find out the relationship of executives and employees mind set about the HRD climate and practices
- To determine the significant difference exist among the managers on HRD practices
- To offer suitable suggestions based on the finding for improvement of HRD functions in the modern organisations.

Method:-

Sample

This study was carried out by the researcher in a few modern companies located in the region of South India. These organisations are South India's largest manufacturing industries. This present study was under taken in various modern manufacturing and IT services units of the selected regions. A group of 125 employees belonging to senior, middle and lower levels constitutes the sample of the study, more specifically 40 managers are senior levels, 40 staff and 45 operational employees were drawn randomly from various departments of the organisations.

Measure

The HRD practices survey questionnaire developed by Bhatia was used in this study through some alternations. This instrument consists of 7 personal detail items and 34 HRD items on a five point scale to measure the HRD climate. The measures for each item ranges from SA to DSA and H.S to HDS. Each measure, i.e. SA indicates Strongly Agree, A indicates Agree, AVG indicates Average, DA indicates Disagree and SDA indicates Strongly Disagree. Another measure, HS indicates Highly Satisfied, S indicates Satisfied, AVG indicates Average, DS indicates Dissatisfied and HDS indicates Highly Dissatisfied. In order to make the interpretations easier, each measure is converted into means score for using percentage formula and weighted average method.



Table .1 Level of satisfaction towards the HRD aspects

S.No	Items (HRD aspects)	HS	S	N	DS	HDS
1	Efforts of your organisation for the conduct of training programmes according to identified needs.	24 (19.2)	66 (52.8)	15 (12)	18 (14.4)	2 (1.6)
2	Psychological climate existing in your organisation to acquire new knowledge and skills	16 (12.8)	56 (44.8)	20 (16.0)	24 (19.2)	9 (7.2)
3	Current system of performance appraisal	20 (16.0)	53 (42.4)	22 (17.6)	21 (16.8)	9 (7.2)
4	Promotion and transfer policy of your organisation.	15 (12.0)	60 (48.0)	26 (20.8)	16 (12.8)	8 (6.4)
5	Reward system	14 (11.2)	58 (46.4)	31 (24.8)	11 (8.8)	11 (8.8)
6	Social security measures given to employees.	16 (12.8)	71 (56.8)	23 (18.4)	8 (6.4)	7 (5.6)
7	The medical facility	13 (10.4)	71 (56.8)	14 (11.2)	13 (10.4)	14 (11.2)
8	Safety Measures	17 (13.6)	66 (52.8)	22 (17.6)	11 (8.8)	9 (7.2)
9	Workers Participation	15 (12.0)	62 (49.6)	23 (18.4)	11 (8.8)	14 (11.2)
10	Employer and Employee Relationship in your company.	14 (11.2)	69 (55.2)	25 (20.0)	10 (8.0)	7 (5.6)
11	Employee and Employee relationship in your company	24 (19.2)	64 (51.2)	20 (16.0)	9 (7.2)	8 (6.4)
12	Provisions of welfare measures in this organisation	Exc. 18 (14.4)	Good 68 (54.4)	Fair 24 (19.2)	Poor 8 (6.4)	VP 7 (5.6)
13	Employee's communication level in your organisation	21 (16.8)	57 (45.6)	27 (21.6)	11 (8.8)	9 (7.2)

Source: Primary data

HS – Highly Satisfied, **S**- Satisfied, **N**-Neutral, **DS** - Dissatisfied, **HDS**- Highly Dissatisfied **Exc.**- Excellent, **VP** - Very Poor.

Procedure

A good impression was established with the respondents (managers) before giving the

questionnaire. They asked us that the data would be used for research paper purpose or any other confidential report purpose. Researcher assured



that this only research purpose then only they filled up the questionnaire. After completing the questionnaire researcher have discussed with them about their view to have feel of the extent to which formal and informal HRD practices were being followed in the changing business scenario.

Statistical Analysis

In order to find the extent of variations in the responses, simple percentage, means, standard deviations and co-efficient of variation have been computed. Tables were prepared on the sorter as well as on the computer. To test the influence of demographic variables on HRD aspects, chi-square test (cross table), multiple regressions, and factor analysis have been used.

Weighted average Analysis

The above table data are analysed through weighted average method for identify the most influential (satisfied) aspects of HRD practices. Each satisfaction level gives

weight according to the satisfaction for example 5 score given for highly satisfaction, 4 for satisfaction, 3 for Neutral, 2 for Dissatisfaction, 1 for highly dissatisfaction. From this analysis, 13 factors are given ranks according to their total weighted scores. Efforts for the conduct of training programmes get first rank according to the highest score, Employee and Employee relationship in your company gets second rank, Employee’s communication level in your organization gets third rank, Provisions of welfare measures gets fourth rank respectively and so on.

Ψ² test (Chi-square test)

Experience and level of satisfaction with the Existing HRD practices (Two-Way Table)

With a view to find the degree of association between experience of the respondents and their level of satisfaction towards HRD practices, a two-way table was prepared and the same is illustrated below.

Table -2: Experience and level of satisfaction with the existing HRD practices (Cross table)

S.No.	Experience	Level of satisfaction			Total
		Low	Medium	High	
1	Below 10 years	7 (21.2)	14 (23.7)	8 (24.2)	29
2	11-20 years	8 (24.2)	17 (28.8)	9 (27.2)	34
3	21-30 years	11 (33.3)	20 (33.9)	9 (27.2)	40
4	31 and above	7 (33.3)	8 (13.5)	7 (21.2)	22
	Total	33	59	33	125



It is identified from the above table that the percentage of satisfaction level with the HRD aspects/measures practised in the selected companies is at its maximum (24.2) among the respondents having below 10 years experience and the same was at its least (21.2) among the respondents having 31 and above years experience. The percentage of medium level of satisfaction towards HRD practice measures is the highest (33.9) among the respondents having 21-30 years experience and the lowest (13.5) among the 31 and above years experienced respondents. On the

other hand, the percentage of low level satisfaction with HRD practices measures is at its highest (27.2) among the respondents having 21-30 years experience and the lowest (21.2) among the 31 and above years-experienced respondents.

In order to find the relationship between the experience of the respondents and their level of satisfaction towards HRD aspects/measures practised in the selected companies, a Chi-square test was used and the result of the test is shown in the following table.

Table no. 3
Experience and level of satisfaction with existing HRD practices (Chi-square test)

Factor	Calculated χ^2 Value	Table Value	D.F	Remarks
Experience	14.366	12.592	6	Significant at 5% level

It is found from the above table that the calculated chi-square value is greater than the table value and the result is significant at 5% level. Hence, the null hypothesis, "experience of the respondents and their level of satisfaction towards HRD measures are not associated" does not hold good. From the analysis, it is concluded that there is a close relationship between experience of the respondents and their level of satisfaction towards HRD measures practised in the selected companies.

Results and Discussion

Some of the trends observed in the HRD practices analysis were:-

The overall HRD practices in the public sector organisation showed to be fine, The managers perceived that the existing HRD practices is favorable one than the staff and operational level employees in the organisation because the operational employees expects innovative and highly specialized HRD system. Employees' recognition, rewards, personnel polices (HR policies) and team spirits of the organisation are reasonable manner. Staff members stand on the neutral position the



existing HRD practices and climate. The top officials of the organisations should concentrate the employees' development activities. i.e. make sure the employees enjoy their work, believes about HR is important and humane treatment, development of subordinates, ensure the development of employees. The top level HR officials should give attention to personnel policies, promotion decision, employees feel free discussion, special care to appreciation, superiors or supervisors help to rectify mistake, feedback on employees weakness

Some of the items which HRD practices and climate was perceived unfavourably

Managerial personnel's belief towards employees' behaviour change and development, free discussion of problems within the department and organisation, the top management believes that HR is extremely important and to be treated more humanely, Job rotation in this organisation facilitates employee development, Personnel policy and top management willingness to ensure the development of the employees, Special care to appreciate the employees performance, promotion's decision, Senior officers interest to help their junior to learn higher responsibility, Welfare facilities to employees, Delegation of authority to encourage the juniors to develop higher position, Free mindset of employees in the organisation, feel free discussion and expression of

their feeling and thoughts with their superiors.

Few items of HRD practices and climate were perceived favourably i.e.

Top management perception about employees' enjoyment in their work, Need based training programme, top management efforts to identify and utilize the potentialities of the employees. During the informal interviews with the managers of the modern organisations, there was a clearly stated HR policy in the organisations to promote the development of employees' capabilities.

Further, the managers were asked to state any informal HRD practices followed by their organisation. They mentioned oral appreciations, increment, feel free home culture, training needs discussion, sharing the information and discuss the problems and its solution with employee level through two way communication. These are the other factors to develop the human resources through informal ways.

The result of the 't' test indicates that there is significant differences between the senior level managers response and middle level managers response and also middle level managers responses and junior level managers.

The result of ' Ψ^2 ' test indicates that there is no relationship between the senior level and middle level manager's perception about present HRD system and also there is no relationship between the middle level



and senior level manager's perception about present HRD system.

Hence, it is observed that the senior level managers understand with the top management and HRD policies through their experience and maturity. All these items of HRD might have led to a better outlook in senior managers' point of view. But in middle level HRD factors are good outlook then the junior management level because junior managers state that average level of satisfaction about present HRD factors (items).

Thus, on the whole, it is found that the existence of reasonable HRD climate in the modern organisations covered under this study. In general, the managers showed favourable attitude towards, HRD policies and practices but the staff and operational employees stand on the neutral position. They expect more innovative HRD practices like as MNC's HRD practices. They will be given complete freedom through human resource-development policies formation under the supervisions of the top management based on the competitiveness of business environment. However, the observation of this study the managers should ensure the development and utilization of available human resources. Especially in staff and operational level employees should be motivated to learn and develop their knowledge and capability by the top management.

The management should make favorable friendly informal

relationship among the superior and subordinates. It should be geared up trust, loyalty, and team spirit among the employees. The systems (HRD) of the organisation should be geared to design innovative and highly specialized programmes as a measure to improve the employee's skills and knowledge. Psychological climate in the organisation should be improved and efforts should be initiated to make it conducive to the development of employees. The management should take care of existing HRD mechanisms and explore the possibilities of introducing new ones. This study was conducted in the region of South India's modern organisations. The finding of this study is only applicable for modern organisation, not MNC's.

Conclusion

Overall conclusion of this study is that the development of human is a specialized operative function of personnel administration. In this changing trend, the employees' expectations are always shifted in nature. Hence the top management concentrates the new innovative and initiative development methods to their workforce. Then only they develop the existing workforce and compete with other multinational competitor organizations. The top management should take effort to motivate, train and build their high potential (workforce) employees upgrading of selection, standards, formulation of suitable rewards and career development schemes, objectives and development



oriented appraisal systems will be the basis of these efforts. "We cannot create the future (time) for the next generation, but we can create the next generation (human resources) for the future".

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