

Human Resource Development: Conceptual framework for Public Enterprises in India

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ARTICLE DETAILS

Article History

Published Online: 28 February 2018

Keywords

Human resource development, enterprise, private

ABSTRACT

The greatest asset of an enterprise, be it public or private can boast of its employees, the people or human resources. Generally, every organization tends to consider only the machinery, buildings and furniture, capital equipment etc. as their assets. With this approach in mind only planning is carried out with regard to proper utilization of plant and machinery and very less consideration is given to human resource or potential of human resources. This contradiction is while other assets tend to depreciate over a period of time, with usage, it is the human resources that appreciate under proper guidance and leadership. The reality is that the investment made on human resources is most valuable of all capital that is invested in an organization. This approach gained momentum during 90s when the industrial development was in boom. Lots of research in this field was carried out by various researchers and research institutes and their findings were duly accepted by the government, public and private sector. Human resources were started treated as one of prime asset or organization along with money and material and 3Ms i.e men, money and material were started recognized in public as well as private sector. But, because of industrial recession and poor economic growth in India the organization again shifted their focus on increasing production and started ignoring the significance of its human resources. Keeping all these aspects in mind, the macro objective of this paper is to study and evaluate various theoretical concepts of human resource development that can help the public enterprises in increasing their productivity. Further, in this paper an efforts has been made to identify the need and relevance of human resource development in the present scenario and attempt has also been made to review the reasons for ignoring the human resources as one of the asset by public enterprises in the 21st Century.

1. Introduction

Human resource development (HRD) is the core of large organizational system known as human resource system (HRS). Human resource development is primarily concerned with providing learning experiences for the people or employees associated with an organization through a behavioral approach by adopting a variety of processes. An employee can be inducted with different learning experiences and case studies and he shares these learning experiences others. Such learning experiences are provided with the main objective to develop human beings for their advantage and to harness their physical, mental and intellectual endowments and abilities for the growth of an enterprise. HRD is a incessant and self-motivated course of action and there is no unanimity on its definitions. Some scholars simply defined HRD in the sense of training, but other scholars and academicians believes that it is not a synonymous with training along rather they treat training as one of component of HRD and define it in broader term and stresses that human resources are both producers and the projected beneficiaries of development. It focuses on the involvement of human development directly, as well as indirectly through social welfare on human resources and emphasizes the role of policies and programs for the development of manpower. India

is the world fastest growing nation and largest economy in the world with an enormous inhabitants and favorable demographics and elevated potential of increasing its GDP. The only strength to face the current challenge of Globalization in its human resources and an urge to compete with the developed nations. With a view to achieve this objective in India the public enterprises are playing an vital role in the economic development of the country. The planning machinery of the government both a Union and State level and making stringent efforts in making improvement in productivity, efficiency and in internal resource generation of public enterprises. The importance of human factor in public sector and industries was recognized as early as the beginning of the first five year plan after independence, wherein it was provided that the worker is the principal instrument in the fulfillment of Plan targets. Further in the industrial policy resolution of 1956 also enunciate that "in a democracy labor is a partner in the common task of development and should participate n it with enthusiasm". In the subsequent policies and plan documents the government has been emphasizing the need for enhancement in the skill of workers/employees by continuous training with a view to increase their efficiency and for improving production and productivity of public enterprises. Accordingly, the public enterprises widely recognized that manpower becomes a resource only when

properly trained and motivated. With a view to give that approach a practical shape, the management in public sector has developed various short term as well as long term plans for the development of skills, attitude and behavior of manpower by training and retraining, motivational changes, monetary and non-monetary benefits, fringe benefits, appreciations, rewards, recognition of work, job rotation, job enrichments career advancements and many more to retain and develop the skills in its work force.

2. Conceptual framework for HRD

The concept of Human Resource Development has gained increasing attention in the last decade. HRD in the organization context is defined as a process by which employees of an organization are helped in a continuous and planned way to (i) acquire or sharpen capabilities required to perform various functions associated with their present or expected future jobs (ii) develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and organizational purposes and (iii) develop an organizational culture in which supervisor-subordinate relationships, teamwork, and collaboration among sub-units are strong and contribute to the professional well being, motivation, and pride of employees¹. However in Public Administration, the term HRD is understood as developing the administrative capability of the government work force for an optimum performance. It includes enhancing the capability of the personnel for higher efficiency, higher productivity, higher effectiveness and better personality etc². Thus, the HRD for public administration implies building of improved public personnel system. To be more specific, it is a process by which the personnel's of an organization are helped in a systematic and continuous way to acquire and sharpen the capabilities required for performing various functions relating to the present and future jobs³.

In India, the concepts of Human Resource Management, Human Resource Development and Personnel Management are misunderstood by the practitioners who look upon Human Resource Management as a dignified term for personnel management⁴. In the present scenario Human Resource Management (HRM) is viewed in entirely different perspective, it projects the development of personnel in accordance with the individual needs and aspirations, so that the individuals are motivated to make their best contribution towards the accomplishment of common goals⁵.

The Departments of Personnel in the Government and in many public and private sector undertakings in our country are switching over to the more apt nomenclature, 'Department of

Human Resource Development'⁶. The change in nomenclature has been done even at the level of Ministry in the Government of India. That is why, the basic approach, strategy and functions towards human resources have totally changed⁷.

As already stated that, the growth of an organization is linked with the growth of employees therefore, it is in the interest of organization to develop its human resources⁸. It is quite evident from the behavioral science researches that when organizations begin to fail, it is diagnosed that something has gone wrong with the human part of the system, such as conflicts, low motivation and commitment, poor co-ordination, inter personnel and inter-departmental jealousies etc. Generally, there is enormous amount of potential energy and creativity in organizations, which seem to get stifled leading to frustrations as well as inefficiency and reducing the organizational effectiveness. It has resulted in increasing the complaints by citizens regarding inefficiency and lack of devotion to duty on the part of government employees are very common and many people are losing confidence in the existing administrative system. That is why administration in India has earned an image that it is slow in action, lacking in initiative, flexibility and adaptability. It is often arrogant in dealing with public⁹. Hence, in the present scenario, the competence of the employees needs to be treated as the key issue in organization¹⁰. To conclude the concept, it is realized that HRD is an essential constituent of any human resource system floating to achieve productivity, quality, efficiency and effectiveness HRD is like a declaration policy; one has to keep the premium high. A value based ethical life supported by reliable hard work and enthusiasm can help an individual to achieve his dreams.

3. Need for Human Resources Development in Public Enterprises

Public enterprises are the spine of Indian economy and human resource plays and important role in the overall functioning of public enterprises. Public enterprises are not established for increasing the production, per capita income or GDP. One of the objectives of setting up public enterprises after independence was to provide employment opportunities to the people and to provide services to the citizens. In addition to this the public enterprises both at Union and state level are focusing on HRD with a view to achieve following objectives :

- To provide a wide-ranging framework for the overall development of its manpower in the organization.
- To develop the productive mind and develop overall personality of each and every employee in the organization.
- To develop the capabilities of each employee in relation to his present and expected future roles.

¹ Goel, S.L., *Personnel Administration and Management*, Sterling Publishers, New Delhi, 1993, p.258.

² Sapru, R.K., "Human Resource Development in the Civil Service: Critical Areas for improvement", (in) *Human Resource Development*, Edited and Compiled by Tandon, B.B., and Arya,P.P., Deep and Deep Publications, New Delhi, 1991, p. 109.

³ Kumar, R.C., *Human Resource Development*, Deep and Deep Publications, New Delhi, 1991, p. 40.

⁴ Flippo, Edwin B., *Principles of Personnel Management*, McGraw Hill, New York, (4th ed.) 1976, p. 5.

⁵ Michael, V.P., *Human Resource Management and Human Relations*, Himalaya Publishing House, Bombay, 1995, p. 2.

⁶ Ashok, K. Singh, "*Personnel Management in Public Enterprises*" Mittal Publications, New Delhi, 1985.

⁷ Rao, T.V., Verma, K.K., Khandelwal, A.K., and Abraham, S.J., *Alternative Approaches and Strategies of Human Resources Development*, Rawat Publication, Jaipur, 1989, p. vii.

⁸ Institute of Personnel Management, *Personnel Management in India*, Vikas Publishing House, New Delhi, 1973, p.29-30.

⁹ Khandelwal, A., *Human Resource Development in Banks*, Oxford and IBH Publishers, New Delhi, 1988.

¹⁰ Verma, M.M., *Human Resource Development*, Gitanjali Publishing House, New Delhi, 1988, p. 1.

- To develop and maintain high levels of motivation of employees.
- To develop cordial relationship between each employee and his supervisor.
- To develop the sense of team spirit, team work and inter team association in the organization.
- To generate systematic management information about manpower for the purposes of manpower planning, placement, succession planning, salary etc.

4. Components of HRD in Public Enterprises

The managerial interest in the field of HRD seems to have occurred after the industrial revolution in India and before that not much efforts were made on human resources in public enterprises. Employee were not given due recognition for their work. But since 1990s number of steps have been taken both by the academicians and managements to propagate the values of HRD and established well defined HRD systems in both public and private sector enterprises and replaced the old system of personnel administration. In this paper some of the important components of HRD system have been discussed in detail.

Performance Appraisal

Performance Appraisal systems have attracted the most attention in the recent years in public sector. Three types of appraisal systems has been adopted i.e. performance appraisal, potential appraisal and performance coaching. Out of these appraisal systems, special attention has been given to performance appraisal because it helps the management to determine the present state of efficiency of an worker in order to establish the actual need for training. Whereas, in many public enterprises potential and coaching appraisal systems are ignored, which has resulted in poor output of employees.

Career Systems

Career systems are concerned with the advancement of the individual employees in their careers in public enterprises. The first step is taken to give induction about the career oriented plans so that employees before joining at an entry point are helped to decide about their future, which may help them to move up in the organization and may give them opportunities to prove themselves for higher responsibilities. The public sector bank formulates special policies and programs for career systems of their employees. It helps the employees in charting specific career paths for who spent potential year of their life with the organization.

Counseling and Monitoring:

Counseling is another component of HRD system being adopted in public enterprises. It is a two way process in which a counselor, usually a superior, provides advice and assistance to his subordinates. Performance counseling is a kind of help extended by a supervisor to his lower staff in improving their performance. It is in-fact, a process to guide the subordinate staff to adjust in a better way with his work culture and to better understand the system and procedures of the organization.

Training Systems

Training System is the oldest component of HRD. It is basically, an investment by the managements in the HRD process which gives dividends in long term. The ultimate goal

of training is improving competence of the employees for raising the standards of organizational performance and helps the employees in developing their skills, knowledge and behavior at work place¹¹. No organization can do better if it ignores the investment in technology development and improvement of human systems, training is crucial for both of these. Lack of training may result in poor work performance, low productivity, increase inventory, financial losses, increase accident rate and customer dissatisfaction.

Morale and Motivation

In public enterprises, the management needs to recognize and realize that their human resources in the organization are the key to development¹². This requires proper motivation of the employees which provides a amiable environment for the management functions of planning and organizing. In public enterprises, it is generally observed that the performance of human resources are less recognized by the managements either as individuals or in a group and their capabilities and potential is ignored, which results in dis-satisfaction at workplace and reduces the capabilities of employee. A climate of inventiveness must be developed and maintained by the management so that the performance levels come up to the mark and growth becomes a routine in the organization.

Self-renewal Systems

Public Enterprises are first and foremost concerned with its growth, but, it is revealed that they should also be concerned with the health of public enterprises. It needs to diagnose its problem and prospects from time to time and take necessary steps to develop new competency and technology to cope-up with the various problems and challenges it may be facing¹³. It has been observed that in almost all the public enterprises this aspect is missing. This aspect can be done though effective organization development (OD) effort. OD or action research is development of competency through effective teams to analyze the problems and initiate process of collaborative work to deal with such problems and challenges. This concept of OD helps to enhance organizational effectiveness.

Creating Effective HRD Environment

Establishment of an effective HRD environment systems are most neglected part of HRD in public enterprises. The public enterprises should make efforts to development of cordial environment and effective communication, reward system and effective promotional aspect should be monitored regularly¹⁴. A vibrant HRD atmosphere can be conducive to development of both the individual as well as the organization. This is possible through humanitarian dealing of workforce by the employers and help to develop right approach among the employees.

¹¹ Sadhak, H. "Style of Management needs changes for better growth of individual and Organisation" in edited book on Human Resource Development in public enterprises, edited by Prof. Y.S. Mahajan, & M.R. Virmani, Centre for Public Sector Studies, New Delhi. 1988.

¹² Maslow, A.H., "Motivation and Personality", Harper & Row, New York, 1954.

¹³ Shankar, Mishra and Ravi Shankar, "Public Enterprises in India", Himalaya Publishing House, Mumbai, 1983

¹⁴ Administrative Reforms Commission on Public Enterprises.

Flexibility in Decision Making

Rigidity on the part of management is never being accepted by the work force and it leads towards unrest in an organization. In large number of public enterprises in India various Unions related disputes are generated which leads to lockdown, strikes at work place. HRD machinery must be flexible and be able to respond rapidly and effectively to a changing environment, as rigid and rigid systems will not be able to deal with changing situations.

5. Relevance of Human Resource Development in present scenario

Human Resource Development is needed in any organization that wants to be vibrant and growth-oriented and wants to succeed in a fast-changing atmosphere. Public enterprises can become lively and grow only through the efforts and competencies of their manpower. Personnel policies can keep the confidence and enthusiasm of employees high, but these efforts are not enough to make the organization active and take it in new directions. Employees capabilities must be constantly be acquired, sharpened and used. For this purpose effective HRD system is the need of hour and in almost all the enterprises proper HRD systems are developed and all the above cited components are properly being implemented. It improves the capabilities of employees by making them better aware of the skills required for job performance and by improving clarity about performance standards. The employees become more pioneering, enterprising and customer friendly and adoptive to take risks and move ahead. It strengthens executive skills. It improves the spirit of team work and promotes organizational effectiveness. Further, it generates very meaningful information which helps in human resource planning and control. HRD eventually helps in higher productivity, lower costs of production and successful overall growth in the organization.

6. Conclusion and Suggestions

Successful public enterprises in India like Steel Authority of India, Indian oil Corporation, State Bank of India, Punjab National Bank, Bharat Heavy Electricals etc. pay adequate attention to their human resource functions. It is realized that if any enterprise has to experience the full benefits of HRD systems then all the components as discussed in this paper has to be properly implemented. More focus should be made on diagnosis of organizational problems and training needs of the employees, challenges ahead and the required mechanism to meet these challenges. In addition to this the commitment of the management to HRD systems and its eagerness to invest time and other resources on human resources is also required. The values of sincerity, belief, mutuality, collaboration and eagerness within the organization should be recognized by both management and every worker of the organization. On the other side, the present scenario is not favorable for public enterprises as majority of enterprises are facing severe financial crunch, low productivity, increasing cost of production, competitive environment, low profits etc. because of which, the managements are again started ignoring the aspect of human resources and are focusing on survival and financial gains. The budget proposals for the welfare of human resources are also being curtailed to a large extent. At the end, it is imperative to state that all the public enterprises

are passing through the time of turbulences and has not recognized the significance of HRD. Public enterprises requires an independent HRD department that could look after the human resources in a professional manner and explore the potential of employees and develop the knowledge, skill and attitude of the manpower. In the present industrial recession period public enterprises are ignoring the significance of human resources and its manpower as a tool for producing goods. It is not utilizing the services, skills and knowledge of its manpower. Traditional methods and techniques are adopted for managing its personnel, whereas, the market scenario has totally changed. It requires most efficient, dedicated and professional employees and management techniques to run the business of the enterprises. At the end, it is suggested that, along with the material and money resources of the organization, they should also consider the relevance of Human Resources. Integrated HRD systems can contribute significantly to positive cultural changes, increase productivity and profitability and leads the organization towards excellence.

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