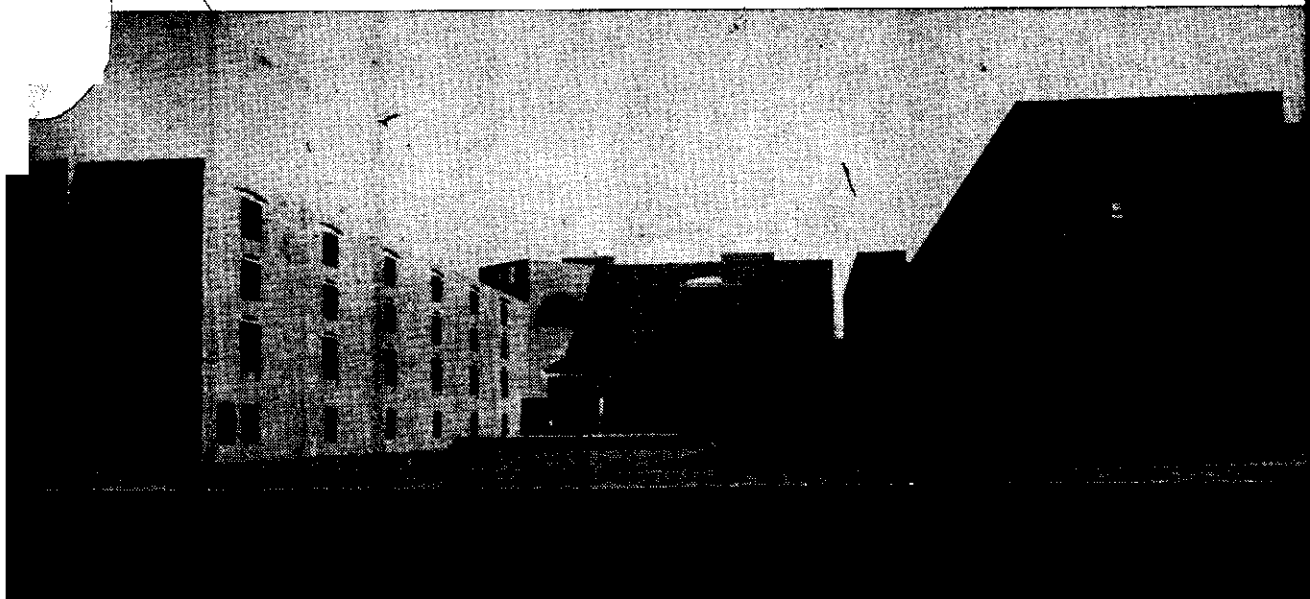




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HRD: Old wine in a New Bottle?

by

T V RAO

John Ingalls while outlining the decline and fall of the personnel function observes that .."The 1980s will be the decade in which "personnel" as it has traditionally been known may cease to exist.... Personnel is in serious trouble. As a function, it is not respected by many members of senior, middle or first line management. It is patiently tolerated by the rank and file workers and it is the center of combat with the unions. ...Personnel lacks a defined body of knowledge like accounting or engineering. It has no unique technology to drive it forward. Its one claim to fame lies in its ability to foster, implement and support bureaucracy and bureaucratic management methods. It does not know how to appeal to new worker values. And it often tends to be insensitive of new non-bureaucratic methods for improving human performance and productivity and the quality of work life". (Ingalls, 1980) Having observed this Ingalls goes on to predict that "the 1980s may see the decline and fall of "personnel" if we mean by that term a management approach primarily oriented towards implementing and maintaining bureaucratic control systems. It will be replaced by something we are now calling (albeit with some misgivings) the human resources development function....A competency based HRD system is a long awaited new technology...In the 1980s, the "old" personnel function will probably die, with the new HRD rising to replace it, once it is able to foster the continuous development of increased human capacity and performance with a competency based management system". (Ingalls, 1980)

Probably what Ingalls says is equally true in India too! Commenting on the future of Personnel function in India Monappa and Saiyadian (1979) state..."The traditional method of confidential reports will be replaced by process-utilization-oriented methods. Here both the outcome and the process will be the focus of the year-end evaluation. Techniques such as management by objectives and performance budgeting will become common because they will take on the painful job of communicating negative evaluation and will place the burden of evaluation on the employee himself. Merit rather than seniority will be the criterion for promotion". "with these changes, role modification of the personnel manager will also become necessary".(p.307)

The term HRD acronym of Human Resources Development is getting very popular in Indian organisations. It is very common now a days for organisations to advertise for filling up positions of HRD managers. A number of organisations have HRD managers already. In spite of the popularity HRD is gaining there appears to be a wide variation in the understanding of the concept of HRD and the role the HRD manager is expected to perform. Some organisations have merely changed the titles of some of their personnel managers and training managers as HRD managers. A few organisations, however have evolved a new function by taking out some of the functions of the personnel manager in the traditional system and adding a few more new functions.

Every organisation depending on its history, culture, organisational structure, growth and needs may evolve its HRD function to suit itself. It is not possible and may not also be desirable to have a universally

accepted job-description for HRD managers. However some understanding of the concept, components and functions of HRD is likely to help these organisations and others that deal with HRD activities. Otherwise the danger of creating a role or redesignating a traditional position as a HRD position because it is a fashion or a new trend is high. This danger lies in creating wrong expectations both within and outside the organisation which the role may not fulfil. I would even propose that certain minimum functions should be associated with HRD managers to do justice to that role.

An understanding of the evolution of HRD may help in gaining insights into this function. The term HRD has a somewhat distinct meaning in India and it has evolved independently atleast in some of the Indian organisations. It may have some similarity with the way it is being interpreted in USA but it has more differences. Infact HRD function in some organisations in India has taken a lead over their counterparts in USA and some of the Americans themselves have acknowledged it.

Len Nadler in a recent article in the Training and Development Journal (1980) claimed that the term 'HRD' was first evolved in his class discussions at the George Washington University and he first used the term formally in the 1969 ASTD conference. According to Nadler, there was coldness and even resistance to this term Human Resources Development at this time and a second time next year when he used it again while chairing an ASTD group. Nadler says that it started picking up only after the mid 1970s. Even then it started getting used as a more attractive term than "Training and Development".

Subsequently some of the professional bodies and consulting organisations

in USA started popularising this term HRD. In the last five years HRD has become a very popular term in USA. Nadler (1980) defines HRD as "an organised learning experience within a given period of time with the objective of producing the possibility of performance change". Nadler (1980) also points out some of the similarities and differences between HRD and OD. According to Nadler, the field of HRD is based on learning and without knowing learning theory it is doubtful if one can be a successful practitioner. OD on the other hand is based on the field of organisational Behaviour. There are parts of OD that are concerned with structural changes. This includes all those interventions which OD practitioners use and that rely on understanding OB (eg. data-based feedback, reporting relationships, communication channels etc.). There is another aspect of OD that is concerned with interpersonal relationships which include team building and such other interventions. These generally use some learning theory but other ways of improving interpersonal relations are there (eg. transfer, termination). Like the structural focus of OD, HRD's focus is on technical aspects. Helping a manager learn how to write a better memo is one example. More common are technical skills acquired in production. HRD focuses secondly on helping people learn how to work with subordinates and managers.

A review of the articles appearing in the Training and Development Journal of the ASTD, and similar journals like the Journal of Group and Organisational Studies published by the University Associates indicate that the term HRD is used to mean a number of things focusing on training and career development. A good indicator of the trend of HRD activities

in USA is the HRD publications. In the year 1980 the Training and Developmental Journal and the American Society for Training and Development have conducted an evaluative survey of the best known works in HRD published from 1970 to 1979 (Training and Development Journal May 1980). Of the 45 works that have been identified as the best known works 25 deal with Training, 14 with OD, 3 with career Planning and Development and 3 are general works. During 1979 the American Society for Training and Development conducted a survey of educational institutions providing academic preparation in HRD. Their survey revealed that at least 19 schools had separately defined curricula in HRD. Of these five schools offered a degree at the bachelor's level; one offered a certificate programme and one offered a master's degree and 12 offered both masters and doctoral degrees (Olson and Berne, 1980). American behavioural scientists have not gone beyond focussing on these two mechanisms (Training and Organisation Development) or components of HRD. Even here there are no well-defined conceptual models evolved to explain the concept of HRD. In other words there is no evidence of Behavioural or management scientists in the Western world conceptualising HRD as a system till 1979. The earliest view of HRD as a system is reflected in Schein's (1979) proposition of a Human Resources Planning and Development System (HRPD). Schein (1979) conceptualises the HRPD system as aiming at matching the organization's needs for human resources with the individual's needs for personal career growth and development. The components of HRPD have been grouped by Schein under six categories. These include: 1. Components dealing with overall planning of the organization (strategic planning, job-role planning, manpower planning, human resources inventory etc.); 2. components to insure

an adequate staffing (job-analysis, recruitment, selection, induction, placement etc.); 3. Components to plan and monitor growth and development of the people (development plans, evaluation of development activities etc.); 4. components that facilitate the actual process of growth and development of people (career development, supervision and coaching, performance appraisal and potential judgement, career counselling etc.); 5. Components that deal with management of decreasing effectiveness, obsolescence, leveling off, turn over etc. (continuing education, job-redesign, job-enrichment, job-rotation etc.) ; and 6. Components that insure that as some people move out of jobs others are available (replacement, restaffing etc.).

HRD in India has a different history. Larsen & Toubro is the first organisation to formally introduce the HRD system as far back as in 1975. An exercise of improving the performance appraisal systems was undertaken by the company with the assistance of two faculty members from the IIMA.* The result of the discussions of these two faculty with several managers of the company led to the evolution of an integrated HRD system**. The main objective of the HRD system is to facilitate the growth and development of managers in the organisation in a planned way.

* Prof. Uday Pareek who is currently ~~the~~ L&T Professor of Organizational Behaviour and Prof. T V Rao were the two faculty from IIMA.

** Although such a system was introduced in 1975, details of this system were published only recently by Pareek and Rao (1981)., Earlier papers relating to various issues of HRD were presented by Pareek and Rao in different forums (Pareek 1977, 1978 and Rao, 1980) \

The sub-systems of HRD include: Performance appraisal system, potential appraisal system, training system, career planning and development system, feedback and counselling, OD, and a data storage system for monitoring employee growth and development. To understand how these various sub-systems contribute to the development of human resources, one needs to understand the concept of development itself.

What is the meaning of development for a manager in the organisational context? It is nothing but the acquisition of newer capabilities so that the person will be able to perform the existing role better and also will be in a position to perform newer functions and roles in the organisation. These capabilities may be technical, managerial, behavioural or conceptual. When one speaks of acquisition of newer capabilities at managerial levels most often these capabilities may be managerial, behavioural or conceptual. While knowledge relating to these capabilities can be acquired in formal training programmes, skills can be acquired mainly by practice on the job. If skills have to be acquired on the job they can be acquired better when they are planned. Who can plan such a programme of helping several managers to acquire the managerial, behavioural and conceptual skills required to perform his job or higher level jobs? The training department or external training institutions can not do it as they tend to be theoretical and cognitive learning oriented. The best person to do this would be a person who knows better than the manager who is to be helped in acquiring these capabilities, and who has an opportunity to observe the manager in action. That person is his immediate reporting officer or at the most an officer two levels above him. Thus, every manager should be helped to

help his subordinates develop on the job. The personnel department can only provide some instruments and facilitate the task of developing the capabilities required to perform the existing role. ^{THIS} can be facilitated through a clarity of the detailed functions associated with the role, setting challenging goals, periodically reviewing these and identifying the capabilities present and capabilities required through a performance analysis, on the job-coaching and training in formal settings. Performance appraisal, feedback and counselling and training are the sub-systems that include these components. Helping the manager acquire new capabilities required for handling higher level responsibilities (new functions in the present role or in a higher job) involve identifying opportunities, identifying jobs that are likely to be created or fall vacant, identifying detailed functions associated with them, listing the knowledge, skills, attitudes etc. required to perform these functions, choosing appropriate candidates, assessing the extent to which they possess these capabilities, giving them feedback, helping them acquire new capabilities etc. Subsystems like potential appraisal, feedback and counselling, career planning and development and training include these components. The subsystems Research & Organisational Development aims at developing process competencies in the managers and establishing a positive emotional climate that facilitates the development of employees. OD interventions, survey feedback and other research strategies are used in these subsystems. A summary of the various subsystems of HRDS and the qualities required by HRD managers are presented at the end of this paper. More details of this system and its links with other systems of

Human Resources Management (Planning and Administration, worker affairs and Job & Salary) are presented elsewhere by Pareek and Rao (1981).

The HRDS is an integrated system. The ultimate purpose of a system of this kind is to generate a positive climate in the organisation: climate of mutuality, trust and openness. It is assumed that such a climate is necessary to help managers to use their own capabilities to the maximum ^{to} take initiative and to ensure continuous development.

There could be a variety of issues in relation to HRDS. One important issue could be "what is new in it? Is n't it merely a old wine in a new bottle? Those who ask this question are probably naive about the quality of the old wine. A fairly good idea of the personnel function in Indian companies is provided by Monappa and Saiyadain (1979) in their book on Personnel Management. The traditional personnel function does not go beyond labour welfare, industrial relations and personnel administration is indicated by several commentators and researchers quoted in the review of the personnel function by Monappa and Saiyadain. For example the areas where personnel policy should be formulated as identified by Tarneja include: hiring of employees, terms and conditions of employment, medical assistance and other benefits, educational facilities and industrial relations. None of the areas relating to HRD figure out in this. A survey conducted by Industrial Team Service (1969) indicated the personnel function to include employment, training, watch and ward, first aid facilities, safety, housing, employee education, employee benefits, industrial relations, insurance programmes and other miscellaneous activities. Thus training and employee education seems to be the only HRD

related components recognised in the traditional personnel function. In another study of 50 companies Rudrabasavaraj (1970) lists the following functions: selection, manpower training and development, promotion transfers and performance appraisals, communication, morale and attitude surveys, wage and salary administration, employee welfare and union-management relations. Now let us examine the ways in which HRD is different from the traditional personnel functions:

1. As the above description indicates the traditional personnel function is control and maintenance oriented and not development oriented.

Unlike the traditional personnel function, HRDS (which is an important part of the total personnel function) focusses on development rather than control. For example the main purpose of performance appraisal so far has been 'control' (to generate data to administer rewards and punishments and thus have a control over employee performance).

Shetty (1970) and Rudrabasavaraj (1979) present a comparative picture of the purposes for which performance appraisal is being used in American and Indian companies. Shetty's data are based on 12 US companies and 9 Indian companies, Rudrabasavaraj's study is based on 6 Indian companies (public sector) and 14 private sector US companies. Both these surveys reveal somewhat contradictory trends. A remarkably high percentage of organizations from both the countries use the appraisals for promotions, transfers and wage increase. Shetty's study indicates that only one out of the nine Indian companies have development as one of the purposes of appraisal (as contrasted with 4 of the 12 US firms having such purpose) and Rudrabasavaraj's study indicates that five of the six Indian public sector undertakings he surveyed (and 11 of the 14 US firms) use it for

training and development. However follow-up interviews are reported only in one of the six Indian companies.

Under HRDS the primary objective of performance appraisal becomes that of development. To ensure development the appraisal system should be able to

- (a) help in creating a development climate
- (b) help the employee identify his strengths and weaknesses with the help of his boss,
- (c) provide employee opportunities to set challenging goals, experiment, test his own capabilities and learn;
- (d) provide opportunities to identify developmental needs and plan his own development in the role as well as the general managerial capabilities required for higher level positions; and
- (e) assist the personnel departments to assist the managers in return for their development.

Singh, Maggu and Warriar (1981) after a review of several researches make the following observations:

"Not enough systematic effort has been made to examine the problem of performance appraisal from the system point of view. A lot of problems in the functioning of performance appraisal arise because of organizational reluctance to change other systems which are closely related to performance appraisal. For example, the introduction and smooth functioning of an appraisal system needs streamlining promotion and reward policies, a change in styles of decision-making, a culture of trust and openness, a definite system of career planning and human growth etc. Unless the problem is viewed from the systems angle, performance appraisal is bound to be ineffective and arouse cynicism among employees, irrespective of the technique and format used." (page.320)

Singh et al (1981) studied the opinions of 580 managers drawn from four private and two public sector undertakings. On the basis of their study of the satisfactions/dissatisfactions of managers with appraisal systems they make the following suggestions for reform.

1. Training of all executives involved in appraisal processes to reduce subjectivity and biases and to develop a culture of openness and trust to facilitate feedback and post-performance appraisal review;
2. Linking appraisal with an exercise of role clarity and job-description
3. Continuous feedback to appraisee;
4. Introducing a performance/achievement information system and providing such data to raters;
5. Discussion of ratings with the appraisal and communicating them to the appraisal.
6. Instituting a participative target setting process which should also lead to the creation of a climate of trust, confidence, openness, sharing of constraints, clarification of roles and objectives etc. and
7. Linking the appraisal formats with functions and responsibilities of individuals.

These recommendations have been made by Singh et al (1981) after reviewing about 50 research studies and articles on this subject most of which appeared in the last decade (of these only about 10 are by Indian authors indicating the paucity of efforts in this area) and his own research study.

The performance appraisal system proposed as a part of the HRDS (Rao and Pareek, 1978 and Pareek and Rao, 1981) is more or less what is being proposed by Singh et al (1981). Thus this new subsystem is not a

old-wine in a new bottle but is a new one that builds on the strengths of previous ones taking into consideration what managers want and what a variety of researches suggest. The objective of creation of a development climate is most significant departure of this system from the previous systems.

2. The second aspect in which this system is different than the existing personnel practices is its integrated nature. It has several subsystems linked with one another and until an organisation uses all the subsystems it cannot be said to be using HRDS. If one looks at current practices, some organisations have very good training departments, some others have excellent OD cells, a few here and there have been working to improve their appraisal systems but beyond this there is no integrated system existing. Most often such integrated systems are not even visualised. Wherever OD cells exist their links with performance appraisal, managerial development etc. are not strong and in some cases they are not even seen. Under the HRDS the interlinkages get very clearly established and focus of all these subsystems becomes clear to help in the development of managerial capabilities through establishing a development climate.
3. A third thing that is new in the HRDS is the separate attention given to potential appraisal, career planning and development, feedback and counselling and a systematic data base. Potential appraisal requires a detailed job analysis and a thorough assessment of managerial talent for promotion discussions and also a planned effort to raise the potential of employees (through potential development)

4. A fourth thing that the HRDS introduces is an explicit statement of the top management's philosophy and faith in development ^{of} its human resources. ~~It is~~ is not easy for all organisations to make statements of their faith in developing human resources. It is particularly different for organisations that are not posed for growth, because the developed human capabilities could create problems for them for want of opportunities to use their capabilities. Therefore an integrated HRDS is meant for some organisations that are growing or that have plans of growth. Its context and meaning changes for other organisations. This is another characteristic\$ unique to HRDS.

Certainly HRDS has incorporated in it strengths of the old systems. Just because it has some of the strengths of the old systems in it, let us not treat it as an 'old wine' and treat it with the same indifference because we assume that it may have same weaknesses! It has many new strengths if we start seeing its positive side.

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Appendix-1

A Brief Description of Human Resources Development Systems (HRDS).

The Human Resources Development System (HRDS) has the following objectives:

1. To provide a comprehensive framework and a process for the development of human resources in any organization;
2. To enable managements to have systematic information on human resources for manpower planning, development, succession, etc.;
3. To increase the capabilities of the organization to recruit, retain and motivate talented employees;
4. To provide a healthy climate that enables every employee to discover, develop and apply his capabilities to a fuller extent on lines that facilitate the achievement of individual's and organizational goals.

Subsystems of HRDS

The following subsystems are instrumental in achieving the above objectives.

1. A Performance Appraisal System, which has identification of key performance areas, target setting, assessment on behavioural dimensions associated with managerial effectiveness, self-assessment, performance analysis, periodic developmental needs, as its main components. The appraisal is an open appraisal where the ratings assigned by the reporting officer are available to the appraisee. Performance analysis focuses on helping the appraisee after understanding the problems he faces in his performance through periodic appraisal discussions.
2. A Potential Appraisal System that has the following components: identification of functions and qualities required to perform these functions for each role in the organization, development of indicators and instruments to measure these qualities, periodic assessment of each employee for his potential to perform higher level roles, promotion policy, inventory of skills, and feedback at appropriate time.
3. A Training and Development System that has the following components: assessment of training needs, training policy communication of training opportunities, organization of internal training programmes, continuing education, creation

of mechanisms and opportunities to use what was acquired in training, job rotation for potential development and training data maintenance.

4. Career Planning and Development System that has the following Components: identification of career opportunities within the organization, organizational growth plans, promotion policy, feedback and counselling, job rotation, identification of career paths, and helping employees plan their career.
5. Feed back and Counselling Subsystem occurs as a part of performance feedback, potential feedback, career opportunities feedback and several other systems of feedback and counselling to help the employee continuously discover his capabilities and areas of improvement.
6. A Research and Organization Development subsystem that aims at maintaining profiled of organizational health, monitoring organizational health, assisting sick departments, conflict resolution, helping interested units and departments in self-renewal and help establishing processes that build a climate that increases the enabling capabilities in the organization. Various techniques of managing changes, organizational diagnosis, development etc., are used. Research may also be done on the trends thrown up by the above five systems. E.g. what are the company-wide common factors hindering employees performance? (from performance appraisal data).
7. A data storage System which has complete information on the skills, capabilities, biographic data, performance appraisal ratings, potential appraisal ratings, training data, etc. of every individual.

These systems are linked to one other in certain ways. For example performance appraisal gives inputs for training, research and OD, data storage, feedback and counselling, etc. Feedback and counselling is linked to performance appraisal, potential appraisal as well as research and OD. When all these subsystems operate simultaneously the organization may be said to have an integrated HRDS.

It is important to note that HRDS is an integral part of the total human resources management function which has other components like worker affairs, manpower planning, industrial relations, salary and reward administration, etc.

Appendix-2

Qualities Required for HRDS ManagersI Role Description

This role's thrust is on developmental aspects. This involves greater understanding of organizational and human processes; a great amount of initiative with a progressive outlook and an ability to develop systems. It requires considerable grounding in behavioural sciences and a basic faith in human resources development. The role incumbent will be required to monitor the performance appraisal, potential appraisal, training, research and OD, and career planning and systems of HRDS at the divisional level. He will be required to ensure that the forms are returned in time and data are entered in the appropriate records. He will develop data storage systems. This role involves assisting in the systems development; coordinating with various departments like industrial engineering, production shops; providing information on various HRDS related matters; and maintaining profiles of organizational culture.

II QualitiesTECHNICAL

Knowledge of Performance Appraisal Systems and their functioning in various organizations.

Knowledge of potential appraisal and mechanisms of developing a system.

Knowledge of various tests and measurement of behaviour.

Ability to design and coordinate training programmes at worker and supervisory levels.

Professional knowledge on personnel and management

Knowledge of behavioural sciences

Understanding of overall organizational culture

Knowledge of career planning processes and practices

Knowledge and skills in counselling

Knowledge of techniques in behavioural research

MANAGERIAL

Organising ability
(Ability to identify talent and organise work, maintenance and monitoring of information, and feedback of information)

System development skills
Ability to work with other departments

PERSONALITY

Initiative
Faith in humanbeings and their capabilities
Positive attitudes to others
Imaginativeness and creativity
Concern for excellence
Concern for people and their development
Friendly, sociable and affable
Aptitude for research and development work
Interest for learning new things
Ability to work as a team member