

EVOLUTION OF HUMAN RESOURCE DEVELOPMENT – A REVIEW

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Abstract

Human resources are considered as an inevitable asset of an organisation. They play a significant role in the surveillance and sustained growth of any organisation. A properly established HRD system is very essential to retain and motivate the employees. In this theoretical paper, evolution of HRD at global level and in India are discussed. HRD at global level has been evolved in three phases namely, Pre-Scientific Management period, Scientific Management period and Behavioural Management period. Among these periods, Behavioural Management period paved the foundation for the modern HRD systems because it gave special attention on employees' social and psychological needs. Evolution of HRD in India was divided as HRD in India before New Economic Policy and HRD in India after New Economic Policy. In India, HRD practices were started to follow in a full-fledged manner only after New Economic Policy.

Keywords: Human Resource Development practices, Evolution, New Economic Policy, Labour Welfare Officers and Human relations.

INTRODUCTION

Human resources are considered as an inevitable asset of an organisation. For the success of any business, the human resources should be fairly treated and provided the best appreciation. They play a significant role in the surveillance and sustained growth of any organisation. This has been analysed and put into practice about centuries back. According to Vedic Mythology the excellence of business in an organisation can be achieved by giving due importance to the employees, customers, suppliers and the society at large. “Swa- dharma” or “Self-ethics” or “the values of any organisation” can be said to be achieved only if the duties assigned to the human resources are correctly and completely performed without any deviation.

Out of the various resources such as men, material, machinery and money, human capital is the ultimate base for the successful functioning of an organisation. This fact has been very much insisted by Fredrick H. Harbison in his statement, “Human resources constitute the ultimate basis for the wealth of the nation. Capital and National Resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources, to build social, economic and political organisation and carry forward national development.”¹ According to International Labour Organisation, human assets are considered as manpower of a Nation. To improve such manpower as a human capital for the business units, it is most important that suitable provisions have to be provided. It is not that much easy to create human capital within a short span of time. Improving the healthy human assets is a long-term process. So it is necessary to formulate long term strategy to invest in the human capital for having the best for the organisation, society and nation at large. The development of human resources, the process itself varies from time to time. In the yester years it was the obligation of the individuals to develop themselves of their own or undertake the directions of the ‘Guru’.

¹ Fredric. H. Harbison, Human Resources as the Wealth of the Nation, New York Oxford University Press, 1973
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EVOLUTION OF HRD AT GLOBAL LEVEL

Evolution of human resource development at global level can be traced in three phases (periods) namely:

- a. Pre-Scientific Management Period
- b. Scientific Management Period
- c. Behavioural Management Period

a. Pre-Scientific Management Period

Until the end of the 17th century, no unique techniques were found to manage the business activities, though many management scholars like Charles Babbage, James Montgomery, Robert Owen, Andrew Ure and Charles Dupin contributed various management theories during pre-scientific management period. During that period, there was no universally applicable and accepted theories for managing business organisations. Almost all the management theories and scholars focused on specific managerial problems in their own way. But scholars such as Robert Owen, Andrew Ure and Charles Dupin have realised the importance of human resources and human relations in an organisation. So, in short, the history of modern HRD can be traced in this period itself.

Robert Owen who is known as the father of Personnel Management emphasised on the development and well-being of employees. He insisted that employees' values and beliefs should be recognised and a positive working environment should be offered to them to attain the organisational objectives. Andrew Ure was an English industrialist and an industrial educator also. He offered academic training and moral education for managers to supervise their subordinates efficiently. Charles Dupin was a French engineer and educator. He advocated that for supervising the subordinates, managers should have not only the technical knowledge, but also comprehensive management skills. Hence, he focused more on management education rather than technical training.

b. Scientific Management Period

It is the period of great industrial revolution. During this period, three major management theories have been developed and all these theories have given importance on formal organisational structure, maximum production and minimum cost. These theories are:

- i. Scientific Management Theory (F. W. Taylor)
- ii. Management Process Theory (Henry Fayol)
- iii. Bureaucratic Management Theory (Max Weber)

F. W. Taylor, the father of Scientific Management emphasised on the application of scientific methods for improving production by maximum utilisation of employees' productivity. He focused on solving administrative issues in a systematic manner, best way for doing a task and reducing unnecessary operations and wastages at lower levels.

Henry Fayol, the father of Modern Management developed 14 principles for organisational management. He focused on formal organisational structure and ignored informal relationships of employees. He was concerned about general management by focusing on entire organisation.

Max Weber, father of Bureaucratic Management, was a German sociologist introduced a more formal and rational system for managing human resources. He advocated that a rational legal authority system is essential for the effective management of an organisation.

From all the above said scientific management theories of management, it is understood that all those theories focused only on formal structure of organisation and not on employees and external environment. Employees were considered only as a factor of production like machines and their psychological and social behaviour and desires were completely ignored. They were not given any opportunity for their own initiatives and creativity.

c. Behavioural Management Period

George Elton Mayo, the father of Neo-Classical Management, introduced human relation theory (behavioural management theory) in order to overcome the shortcomings of scientific (classical) management theories. The major drawback of scientific management theory was it ignored human behaviour and human relations in an organisation. Management scholars in this period advocated that organisational objectives can be achieved only through fulfilling employees' individual goals. During this period human aspects of organisation were given much importance. 'People oriented approach' replaced 'Production oriented approach' during the behavioural management period.

Behavioural management thinkers developed two theories to manage and motivate human resources in organisations. They are:

- a. **Human Relations Theory** – This theory argued that employees are part of a society and their social and psychological needs should be fulfilled well and informal relationship within the organisation should be promoted. The theory claimed that participative management and non-monetary incentives should be promoted in the organisation which will influence employees' behaviour.
- b. **Behavioural Science Theory** – This theory advocated that human behaviour should be analysed by using scientific methods. Various concepts of various social sciences such as Psychology, Sociology, Anthropology etc. can be applied to analyse employees' behaviour.

Behavioural management theory has contributed much more in the development of modern HRD. This theory explains how to deal with employees, their interpersonal relationship, need for leadership and motivation, importance of non-monetary incentives and management of employee conflicts and grievances.

EVOLUTION OF HRD IN INDIA

While the evolution of HRD in Western countries was voluntary to an extent by private business organisations as a result of great industrial revolution, but in India HRD evolved as a result of deliberate intervention by governments and trade unions. The evolution of HRD in India can be divided into two broad periods.

- i. HRD in India before New Economic Policy
- ii. HRD in India after New Economic Policy

i. HRD in India before New Economic Policy

In our country, HRD practices have been started by The Royal Commission of Labour. The Commission in 1931 recommended the appointment of labour welfare officers to settle the employees' disputes and grievances. After independence, The Factories Act 1948 insisted the statutory appointment of Labour Welfare Officers in factories where 500 or more employees are working. During 1950s, trade unions dominated in labour field in almost all the industries. As a result of this domination, management of all the industries faced

continuous strikes in our country. In such a situation, corporate bodies and various governments started number of training institutes to train the labour officers.

During 1960s, as a result of establishment of training institutes, the conventional responsibilities of labour officers were converted to a professional manner. 1980 onwards, as a result of amendments in Government's labour policies, private business corporates changed their approach towards their employees. They accepted a liberal approach towards their employees even by allowing participative management. During this period, Government of India initiated to establish Central Training Institutes to provide training to the workers and to make them aware about of their rights and responsibilities.

ii. HRD in India after New Economic Policy

Before New Economic Policy, our country was a closed economy. A closed economy is an economy which does not trade at international level. After New Economic Policy, our country has been opened for international trade. New Economic Policy has been announced with the aim of making our nation more market oriented and attract private and foreign investments.

After New Economic Policy, Indian economy has become an important part in the world economy. New trends in management such as Kaizen Technique, Total Quality Management, Customer Care etc. made considerable changes in the minds of employees. Such new trends can be implemented only through highly talented and pro-active human resources who are possessing team spirit and the quality of commitment. But in Indian context, such new trends in business world were not positively accepted by the trade unions. Whereas the increasing global competition forced the trade unions to change their attitude towards the acceptance of such global changes for the development of industrial units in our country. In this scenario, personnel managers and departments started to provide training to their employees by applying innovative HR tools. Many management training institutes were set up at national and state levels for offering professional courses to mould competent human resources and to fulfil the growing needs of industrial undertakings in our country.

CONCLUSION

A well established HRD mechanism is very essential for any business organisation especially in this competitive era. The success of any organisation largely depends up on its highly dedicated and committed human assets. So, any business organisation should have a

proper HR policy and HRD mechanism to retain and motivate the employees. It is understood that HRD practices have been started during pre-scientific management period. Robert Owen and Andrew Ure have given more attention for human resources and human relations. Whereas during scientific management era, human resources were considered only as a tool for maximising production at minimum cost. Behavioural management period paved a foundation for the modern HRD practices. Behavioural management theory claimed that organisational goals can be achieved only through fulfilling the individual desires of employees. Even though HRD practices have a history of long period, in this competitive and technological era only, it has been given more attention and it is considered as a special discipline. In India, business organisations started HRD practices in a full-fledged manner only after New Economic Policy. Rapid development in manufacturing, trade and service sectors have been noticed due to the implementation New Economic Policy which has created large number of employment opportunities which in turn required innovative HRD practices.

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