

**M.Com. 4<sup>th</sup> Semester**

**Course: MC404 HRM (a)**

# **HUMAN RESOURCE DEVELOPMENT**

**(DSE)**

**Lesson 1 to 20**

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## CONTENT

<b>S. NO</b>	<b>TOPICS</b>	<b>PAGE NO.</b>
1	INTRODUCTION TO HUMAN RESOURCE DEVELOPMENT	5
2	HISTORICAL PERSPECTIVE	17
3	CONTEMPORARY ISSUE IN HUMAN RESOURCE DEVELOPMENT	25
4	SOCIAL CAPITAL THEORY	37
5	LEARNING NETWORK THEORY	43
6	SYSTEM THEORY TO HRD	50
7	HUMAN CAPITAL THEORY	62
8	SCREENING THEORY	71
9	HUMAN RESOURCE DEVELOPMENT PROCESS	80
10	HRD PROGRAMME	90
11	HRD INTERVENTION	108
12	THEORY OF LEARNING	122
13	TRANSFER OF LEARNING	134
14	STRATEGIC LEARNING AND LEADERSHIP	143
15	LEARNING ORGANIZATION	159
16	PERFORMANCE MANAGEMENT	170
17	MENTORING	178
18	PERFORMANCE MANAGEMENT	185
19	VIRTUAL HRD	192
20	WORKFORCE DIVERSITY	201

## MC404 HRM (a): HUMAN RESOURCE DEVELOPMENT (DSE)

Max. Marks 80

Internal Assessment 20

Note: There will be Ten (10) questions in all spreading into Five Units consisting of two Questions from each unit. The candidate will require to attempt one question from each unit. Each question will carry Sixteen (16) marks

Learning Objective: The objective of this course is to build a critical perspective of human resource development (HRD) in an organizational, national and international context.

Course Contents:

### Unit I

Introduction to Human Resource Development: Historical perspective, emergence of HRD, conceptualizing critical HRD; Contemporary realities and future of HRD; Andragogy and life-long learning.

### Unit II

Theoretical approaches to Human Resource Development: Social capital theory, learning network theory, relevance of systems theory to HRD, human capital theory and screening theory of HRD.

### Unit III

Human Resource Development Process: Identifying HRD needs; Designing and developing effective HRD programs; Evaluating effectiveness of HRD Programs; HRD interventions.

### Unit IV

Integrating learning with work: Theories of learning, trends in workplace learning, learning interventions; Transfer of learning; Strategic learning and leadership; Learning organizations and organizational learning.

### Unit V

Human Resource Development Trends: New ways of working and employability; Coaching, mentoring and management of performance; Virtual HRD; Workforce diversity and HRD.

Course outcome

After learning of the course, the students will be able:

- To build critical perspective of human resource evaluation for their development.

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## CHAPTER-1

### INTRODUCTION TO HUMAN RESOURCE DEVELOPMENT

#### STRUCTURE

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Concept of Human Resource Development
- 1.3 Relationship Between HRD and HRM
- 1.4 Difference Between HRD and HRM
- 1.5 Need for HRD
- 1.6 HRD Functions
- 1.7 Features of Human Resource development
- 1.8 Benefits of Human Resource Development
- 1.9 Summary
- 1.10 Glossary
- 1.11 Self-Check Questions
- 1.12 Answer to Self-Check Questions
- 1.13 Terminal questions
- 1.14 Answer to terminal questions

#### 1.0 Learning Objectives

**After studying the lesson, you should be able to:-**

- Describe the concept of Human Resource Development
- Need for Human Resource Development
- Benefits of Human Resource Development
- Features of Human Resource Development

#### 1.1 INTRODUCTION

The concept of Human Resource assumes that human beings are a great asset to an organization. They can contribute a great deal to the achievement of organisational goals. This positive view of people working in the organisations as an asset with unlimited potential is the core of the concept of the human resource system.

HRD is a process of helping people to acquire competencies. HRD is needed by any organisation 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

Any organisation that is interested in improving its services and its effectiveness needs to develop its employee competencies to perform the tasks required to bring about such improvements

The HRD is required for:

- Growth of organisation.
- Diversification in an organisation
- Renewing itself to become more effective
- Improving the systems and services of an organisation
- Change and becoming more dynamic
- Playing leadership roles

Development of human resources is essential for any organisation 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 (HRD) system aims at creating such a climate. A number of HRD techniques have been developed in recent years to perform the above task based on certain principles. This unit provides an understanding of the concept of HRD system, related mechanisms and the changing boundaries of HRD.

HRD concept was first introduced by **Leonard Nadler** in 1969 in a conference in US. *“He defined HRD as those learning experience which are organized, for a specific time, and designed to bring about the possibility of behavioral change”.*

Human Resource Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, Human Resource Development

can be informal as in employee coaching by experts in the industry or by a manager. Healthy organizations believe in Human Resource Development and cover all of these bases.

## **Introduction to HRM**

### *Definitions of HRD*

HRD (Human Resources Development) has been defined by various scholars in various ways. Some of the important definitions of HRD (Human Resources Development) are as follows:

- According to **Leonard Nadler**, "Human resource development is a series of organised activities, conducted within a specialised time and designed to produce behavioural changes."
- In the words of **Prof. T.V. Rao**, "HRD is a process by which the employees of an organisation 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 roles; (ii) develop their general capabilities as individual and discover and exploit their own inner potential for their own and /or organisational development purposes; (iii) develop an organisational culture in which superior-subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well being, motivation and pride of employees."
- According to **M.M. Khan**, "Human resource development is the across of increasing knowledge, capabilities and positive work attitudes of all people working at all levels in a business undertaking."

## **1.2 CONCEPT OF HUMAN RESOURCE DEVELOPMENT**

Human resource development in the organisation context is a process by which the employees of an organisation are helped, in a continuous and planned way to:

1. Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;

2. Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organisational development purposes; and
3. Develop an organisational 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 employees.

This definition of HRD is limited to the organisational context. In the context of a state or nation it would differ.

HRD is a process, not merely a set of mechanisms and techniques. The mechanisms and techniques such as performance appraisal, counselling, training, and organization development interventions are used to initiate, facilitate, and promote this process in a continuous way. Because the process has no limit, the mechanisms may need to be examined periodically to see whether they are promoting or hindering the process. Organisations can facilitate this process of development by planning for it, by allocating organisational resources for the purpose, and by exemplifying an HRD philosophy that values human beings and promotes their development.

### **1.3 RELATIONSHIP BETWEEN HRM AND HRD**

In some organisations, training is a stand-alone function or department. In most organisations, however, training or human resource development is part of a larger human resource management system. Human resource management (HRM) can be defined as the effective selection and utilization of employees to best achieve the goals and strategies of the organisation, as well as the goals and needs of employees. An important point of emphasis is that the responsibility of the HRM is (or, at least, should be) shared by human resource specialists and line management. Some organisations have a centralized HRM department with highly specialized staff, but in other organisations, the HRM function is decentralized and conducted throughout the organisation. HRM can be divided into primary and secondary functions. Primary functions are directly involved with obtaining, maintaining, and developing employees. Secondary functions either provide support for general management activities or are

involved in determining or changing the structure of the organisations. These functions are detailed below:

- Human resource planning activities are used to predict how changes in management strategy will affect future human resource needs. These activities are critically important with the rapid changes in external market demands. HR planners must continually chart the course of the organisation and its plans, programs, and actions.
- Equal employment opportunity activities are intended to satisfy both the legal and moral responsibilities of the organisations through the prevention of discriminatory policies, procedures, and practices. This includes decisions affecting hiring, training, appraising, and compensating the employees.
- Staffing (recruitment and selection) activities are designed for the timely identification of potential applicants for current and future openings and for assessing and evaluating applicants in order to make appropriate selection and placement decisions.
- Compensation and benefits administration is responsible for establishing and maintaining an equitable internal wage structure, a competitive benefits package, as well as incentives tied to individual, team, or organisational performance.
- Employee (labor) relations activities include developing a communication system through which employees can address their problems and grievances. In a unionized organisation, labor relations will include the development of working relations with each labor union, as well as contract negotiations and administration.
- Health, safety, and security activities seek to promote a safe and healthy work environment. This can include actions such as safety training, employee assistance programs, and health and welfare programs.
- Human resource development activities are intended to ensure that organisational members have the skills or competencies to meet current and future job demands.

**Other functions that may be shared by HRM units include the following:**

- Organisation/job design activities are concerned with interdepartmental relations and the organisation and definition of jobs.

- Performance management and performance appraisal system are used for establishing and maintaining accountability throughout the organisation.
- Research and information systems (including Human Resource Information Systems) are necessary to make enlightened human resource decisions.

Thus, the relationship between the HRM and HRD can be explained as:

- HRM is the large system in an organisation. HRD is a sub system of the large system and HRD activities cannot be performed in isolation.
- HRM function is largely maintenance oriented and a function of management. HRD is an ongoing process and it is development oriented, aiming to enhance both personal and professional growth.
- HRM believes that an increase in the business results would lead to increase in the performance or productivity. But HRD believes that the improvement in the performance would be the result of the continuous increase in its activities.
- HRM is more result oriented, whereas HRD is more process oriented.
- HRM focuses more on the improvement in performance and on improvement in the capabilities of employees productivity.
- HRM aims at creating a successful business result for the organisation and HRD aims at creating learning organisation for improving organisational capabilities and thereby successful business results.

#### **1.4 DIFFERENCE BETWEEN HRD AND HRM**

Both are very important concepts of management specifically related with human resources of organisation. Human resource management and human resource development can be differentiated on the following grounds:

- The human resource management is mainly maintenance oriented whereas human resource development is development oriented.
- organization structure in case of human resources management is independent whereas human resource development creates a structure, which is inter-dependent and inter-related.

- Human resource management mainly aims to improve the efficiency of the employees whereas HRD aims at the development of the employees as well as organisation as a whole.
- Responsibility of human resource development is given to the personnel/human resource management department and specifically to personnel manager whereas responsibility of HRM is given to all managers at various levels of the organisation.
- HRM motivates the employees by giving them monetary incentives or rewards whereas human resource development stresses on motivating people by satisfying higher-order needs.

### **1.5 NEED FOR HRD**

HRD is needed by any organisation 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 organisation 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 organisation may be said to have an “enabling” culture.

Even an organisation that has reached its limit of growth, needs to adapt to the changing environment. No organisation is immune to the need for processes that help to acquire and increase its capabilities for stability and renewal.

### **1.6 HRD FUNCTIONS**

The core of the concept of HRD is that of development of human beings, or HRD. The concept of development should cover not only the individual but also other units in the organisation. In addition to developing the individual, attention needs to be given to the development of stronger dyads, i.e., two-person groups of the employee and his boss.

Such dyads are the basic units of working in the organisation. Besides several groups like committees, task groups, etc. also require attention. Development of such groups should be from the point of view of increasing collaboration amongst people working in the organisation, thus making for an effective decision-making. Finally, the entire department and the entire organisation also should be covered by development. Their development would involve developing a climate conducive for their effectiveness, developing self-renewing mechanisms in the organisations so that they are able to adjust and pro-act, and developing relevant processes which contribute to their effectiveness. Hence, the goals of the HRD systems are to develop:

1. The capabilities of each employee as an individual.
2. The capabilities of each individual in relation to his or her present role.
3. The capabilities of each employee in relation to his or her expected future role(s).
4. The dyadic relationship between each employee and his or her supervisor.
5. The team spirit and functioning in every organisational unit (department, group, etc.).
6. Collaboration among different units of the organisation.
7. The organisation's overall health and self-renewing capabilities which, in turn, increase the enabling capabilities of individuals, dyads, teams, and the entire organisation.

## **1.7 FEATURES OF HUMAN RESOURCE DEVELOPMENT**

The essential features of human resource development can be listed as follows:

- Human resource development is a process in which employees of the organisations are recognized as its human resource. It believes that human resource is most valuable asset of the organisation.

- It stresses on development of human resources of the organisation. It helps the employees of the organisation to develop their general capabilities in relation to their present jobs and expected future role.
- It emphasise on the development and best utilization of the capabilities of individuals in the interest of the employees and organisation.
- It helps in establishing/developing better inter-personal relations. It stresses on developing relationship based on help, trust and confidence.
- It promotes team spirit among employees.
- It tries to develop competencies at the organisation level. It stresses on providing healthy climate for development in the organisation.
- HRD is a system. It has several sub-systems. All these sub-systems are inter-related and interwoven. It stresses on collaboration among all the sub-systems.
- It aims to develop an organisational culture in which there is good senior-subordinate relations, motivation, quality and sense of belonging.
- It tries to develop competence at individual, inter-personal, group and organisational level to meet organisational goal.
- It is an inter-disciplinary concept. It is based on the concepts, ideas and principles of sociology, psychology, economics etc.
- It form on employee welfare and quality of work life. It tries to examine/identify employee needs and meeting them to the best possible extent.
- It is a continuous and systematic learning process. Development is a life long process, which never ends.

## **1.8 BENEFITS OF HUMAN RESOURCE DEVELOPMENT**

Human resource development now a days is considered as the key to higher productivity, better relations and greater profitability for any organisation. Appropriate HRD provides unlimited benefits to the concerned organisation. Some of the important benefits are being given here:

- HRD (Human Resource Development) makes people more competent. HRD develops new skill, knowledge and attitude of the people in the concern organisations.
- With appropriate HRD programme, people become more committed to their jobs. People are assessed on the basis of their performance by having a acceptable performance appraisal system.
- An environment of trust and respect can be created with the help of human resource development.
- Acceptability toward change can be created with the help of HRD. Employees found themselves better equipped with problem-solving capabilities.
- It improves the all round growth of the employees. HRD also improves team spirit in the organisation. They become more open in their behaviour. Thus, new values can be generated.
- It also helps to create the efficiency culture In the organisation. It leads to greater organisational effectiveness. Resources are properly utilised and goals are achieved in a better way.
- It improves the participation of worker in the organisation. This improve the role of worker and workers feel a sense of pride and achievement while performing their jobs.
- It also helps to collect useful and objective data on employees programmes and policies which further facilitate better human resource planning.

## **1.9 SUMMARY**

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. 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.

### **1.10 GLOSSARY**

**HRD:** HRD is a process of helping people to acquire competencies. HRD is needed by any organisation 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

**HRM:** Human resource management (HRM) involves coordinating, managing, and allocating human capital, or employees, in ways that move an organisation's goals forward. HRM focuses on investing in employees, ensuring their safety, and managing all aspects of staffing, from hiring to compensation and development.

### **1.11 SELF-CHECK QUESTIONS**

1. Define Human Resource Development.
2. Discuss the relationship between HRD and HRM.

### **1.12 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 1.1
2. For answer refer to section 1.3

### **1.13 TERMINAL QUESTIONS**

1. What do you mean by human resource development? Explain the features of hrd.
2. Explain the concept of human resource management in detail.
3. Discuss the difference between human resource management and human resource development.
4. Discuss the benefits and need of human resource development in detail

## **1.14 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 1.1, 1.2, and 1.7
2. For answer refer to section 1.2
3. For answer refer to section 1.4
4. For answer refer to section 1.5, 1.8

## **CHAPTER-2**

### **HISTORICAL PERSPECTIVE**

#### **STRUCTURE**

- 2.0 Learning objectives
- 2.1 Introduction
- 2.2 Evolution of human resource development
  - 2.2.1 Early Vocational Education Programs
  - 2.2.2 Early Factory Schools
  - 2.2.3 Early Training Programs For Semiskilled And Unskilled Workers
- 2.3 Human Relations Movement
- 2.4 Establishment of the Training Profession
- 2.5 Emergence of Human Resource Development
- 2.6 Summary
- 2.7 Glossary
- 2.8 Self-Check Questions
- 2.9 Answer to Self-Check Questions
- 2.10 Terminal questions
- 2.11 Answer to terminal questions

#### **2.0 LEARNING OBJECTIVES**

**After studying the lesson, you should be able to:-**

- Describe the historical perspective of human resource development
- Discuss the evolution of human resource development
- Describe the human relations movement
- Discuss the emergence of human resource development

#### **2.1 INTRODUCTION**

Human Resource Development (HRD) is the process of helping people to acquire competencies and skills so as to ensure their usefulness to the organisation in terms of both present and future organizational conditions. It also helps the employees to

understand their own capabilities better so that they can best utilise them and also fulfill their expectation both professional and personal.

Human Resource Development (HRD) is a recent new systematic approach to proactively deal with issues related to individual employees, teams and the total organisation.

People need competencies (knowledge, attitudes, values and skills) to perform tasks. Higher degree and quality of performance of tasks requires higher level of degree of skills. Without continuous development of competencies in people, an organisation is not likely to achieve its goals.

## **2.2 EVOLUTION OF HUMAN RESOURCE DEVELOPMENT**

Although the term human resource development has been in common use since the 1980s, the concept has in vogue longer than that. To understand its modern definition, it is helpful to briefly recount the history of this field. Early Apprenticeship Training Programs

The origin of HRD can be traced to apprenticeship training programs in the eighteenth century. During this time, small shops operated by skilled artisan produced virtually all household goods, such as furniture, clothing, and shoes. To meet a growing demand for their products, the craft shop owners had to employ additional workers. Without vocational or technical schools the shopkeepers had to educate them and train their own workers. For little or no wages, these trainees, or apprentices, learned the craft of their master, usually working in the shop for several years until they became proficient in their trade. Not limited to the skilled trades, the apprenticeship model was also followed in the training of physicians, educators, and attorneys. Even as late as the 1920s, a person apprenticing in a law office could practice law after passing a state-supervised exam.

Apprentices who mastered all the necessary skills were considered “yeomen,” and could leave their master and establish their own craft shops; however, most remained with their masters because they could not afford to buy the tools and equipments needed to start their own craft shops. To address a growing number of yeomen, master craftsmen formed a network of private “franchises so they could regulate such things as product quality, wages, hours, and apprentice testing procedures. These craft guilds grew to become powerful political and social forces within their communities, making it even more difficult

for yeomen to establish independent craft shops. By forming separate guilds called “yeomanry,” the yeomen counterbalanced the powerful craft guilds and created a collective voice in negotiating for higher wages and better working conditions. Yeomanries were the forerunners of modern labor unions.

### **2.2.1 EARLY VOCATIONAL EDUCATION PROGRAMS**

In 1809, a man named DeWitt Clinton founded the first recognized privately funded vocational school, also referred to as a manual school, in New York City. The purpose of the manual school was to provide occupational training to unskilled young people who were unemployed or had criminal records. Manual schools grew in popularity, particularly in the Midwestern states, because they were a public solution to a social problem: what to do with “misdirected” youths. Regardless of their intent, these early forms of occupational training established a prototype for vocational education. In 1917, United States Congress passed the Smith-Hughes Act, which recognized the value of vocational education by granting funds (initially \$7 million annually) targeted for state programs in agricultural trades, home economics, industry, and teacher training. Today, vocational instruction is an important part of each state’s public education system. In fact, given the current concerns about a “skills gap” (especially for technical skills), vocational education has become even more relevant.

### **2.2.2 EARLY FACTORY SCHOOLS**

With the advent of the Industrial Revolution during the late 1800s, machines began to replace the hand tools of the artisans. “Scientific management” principles recognized the significant role of machines in better and more efficient production systems. Specifically, semiskilled workers using machines could produce more than the skilled workers in small craft shops. This marked the beginning of factories as we know them today.

Factories made it possible to increase production by using machines and unskilled workers, but they also created a significant demand for the engineers, machinists, and skilled mechanics needed to design, build, and repair the machines. Fueled by the rapid increase in the number of factories, the demand for skilled workers soon outstripped the supply of vocational school graduates. To meet this demand, factories created

mechanical and machinist training programs, which were referred to as “factory schools.” The first documented factory school was located at Hoe and Company, a New York manufacturer of printing press in 1872. This was soon followed by Westinghouse in 1888, General Electric and Baldwin Locomotive in 1901, International Harvester in 1907, and then Ford, Western Electric, Goodyear, and National Cash Register. Factory school programs differed from early apprenticeship programs in that they tended to be shorter in duration and had a narrow their focus on the skills needed to do a particular job.

### **2.2.3 EARLY TRAINING PROGRAMS FOR SEMISKILLED AND UNSKILLED WORKERS**

Although both apprenticeship programs and factory schools provided training for skilled workers, very few companies during this time offered training programs for unskilled or semiskilled workers. This changed after two significant historical events. The first was the introduction of the Model T by Henry Ford in 1913. The Model T was the first car to be produced on a large scale using an assembly line, in which production required only the raining of semiskilled workers to perform several tasks.

The new assembly lines cut production costs significantly and Ford lowered its prices, making the Model T affordable to a much larger segment of the public. With the increased demand for the Model T, Ford had to design more assembly lines, and this provided more training opportunities. Most of the other automobile manufacturers who entered the market used assembly line processes, resulting in a proliferation of semiskilled training programs.

Another significant historical event was the outbreak of World War I. To meet the huge demand for military equipment, many factories that produced non - military goods also had to retool their machinery and retrain their workers, including the semi skilled. For instance, the U.S. Shipping Board was responsible for coordinating the training of shipbuilders to build warships. To facilitate the training process, Charles Allen, director of training, instituted a four-step instructional method referred to as “show, tell, do, check” for all the training programs offered by the Shipping Board. This technique was later named as job instruction training (JIT) and is still in use for training many workers on the job.

## **2.3 HUMAN RELATIONS MOVEMENT**

One of the undesirable by-products of the factory system was the frequent abuse of unskilled workers, including children, who were often subjected to unhealthy working conditions, long hours, and low pay. The appalling conditions spurred a national anti-factory campaign. Led by Mary Parker Follett and Lillian Gilbreth, the campaign gave rise to the “human relations” movement advocating more humane working conditions. Among other things, the human relations movement provided a more complex and realistic understanding of workers as people instead of merely “cogs” in the wheel of a machine.

The human relations movement highlighted the importance of human behavior on the job. This was also addressed by Chester Barnard, the president of New Jersey Bell Telephone, in his influential 1938 book *The Functions of the Executive*. Barnard described the organisation as a social structure integrating traditional management and behavioral science applications.

The movement continued up to 1940s, with World War II as a backdrop. Abraham Maslow published his theory on human needs, stating that people can be motivated by both economic and noneconomic incentives. He proposed that human needs are arranged in terms of lesser to greater potency (strength), and distinguished between lower order (basic survival) and higher order (psychological) needs. Theories like Maslow’s serve to reinforce the notion that the varied needs and desires of workers can become important sources of motivation in the workplace.

## **2.4 ESTABLISHMENT OF THE TRAINING PROFESSION**

With the outbreak of World War II, the industrial sector was once again asked to retool its factories to support the war effort. As was with World War I, this initiative led to the establishment of new training programs within larger organisations and unions. The federal government established the Training Within Industry (TWI) Service to coordinate training programs across defense-related industries. TWI also trained company instructors to teach their programs at each plant. By the end of the war, the TWI had trained over 23,000 instructors, awarding over 2 million certificates to supervisors from 16,000 plants, unions, and services. Many defense-related companies established their

own training departments with the instructors trained by TWI. These departments designed, organized, and coordinated training across the organisations. In 1942, the American Society for Training Directors (ASTD) was formed to establish some standards within this emerging profession. At the time, the requirements for full membership in ASTD included a college or university degree plus two years of experience in training or a related field, or five years of experience in training. A person working in a training function or attending college was qualified for associate membership.

## **2.5 EMERGENCE OF HUMAN RESOURCE DEVELOPMENT**

During the 1960s and 1970s, the professional trainers realized that their role extended beyond the training in classrooms. The move toward employee involvement in many organisations required trainers to coach and counsel employees. Training and development (T&D) competencies therefore expanded to include interpersonal skills such as coaching, group process facilitation, and problem solving. This additional emphasis on employee development inspired the ASTD to rename itself as the American Society for Training and Development (ASTD).

The 1980s saw even greater changes affecting the T&D field. At several ASTD national conferences held in the late 1970s and early 1980s, discussions centered on this rapidly expanding profession. As a result, ASTD approved the term human resource development to encompass this growth and change. Books by individuals such as Leonard and Zeace Nadler appeared in late 1980s and early 1990s, and these helped to clarify and define the HRD field. Further, in the 1990s and up to today, efforts have been made to strengthen the strategic role of HRD, that is, how HRD links to and supports the goals and objectives of the organisation.

There was also an emphasis within ASTD (and elsewhere) on performance improvement as the particular goal of most training and HRD efforts, and on viewing organisations as high performance work systems. In 2004, ASTD had approximately 70,000 members in over 100 countries, and remained the leading professional organisation for HRD professionals. Recent emphasis on HRD (and within ASTD) will be discussed more in the following sections. First it would be helpful to discuss the relationship between human resource management and HRD.

## **2.6 SUMMARY**

Human Resource Development (HRD) is the process of helping people to acquire competencies and skills so as to ensure their usefulness to the organisation in terms of both present and future organizational conditions. It also helps the employees to understand their own capabilities better so that they can best utilise them and also fulfill their expectation both professional and personal.

To understand its modern definition, it is helpful to briefly recount the history of this field. **Early Apprenticeship Training Programs** The origin of HRD can be traced to apprenticeship training programs in the eighteenth century. During this time, small shops operated by skilled artisan produced virtually all household goods, such as furniture, clothing, and shoes. To meet a growing demand for their products, the craft shop owners had to employ additional workers. Without vocational or technical schools the shopkeepers had to educate them and train their own workers. For little or no wages, these trainees, or apprentices, learned the craft of their master, usually working in the shop for several years until they became proficient in their trade.

## **2.7 GLOSSARY**

**Human Resource Development:** Human Resource Development is a recent new systematic approach to proactively deal with issues related to individual employees, teams and the total organisation.

## **2.8 SELF-CHECK QUESTIONS**

1. What do meant by Human resource development?
2. Explain the establishment of training profession.

## **2.9 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 2.1
2. For answer refer to section 2.4

## **2.10 TERMINAL QUESTIONS**

1. What do you mean by human resource development? Describe the historical perspective of human resource development.
2. Discuss the evolution of human resource development in detail.
3. Describe the human relations movement in detail.
4. Discuss the emergence of human resource development in detail.

### **2.11 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 2.1
2. For answer refer to section 2.2
3. For answer refer to section 2.3
4. For answer refer to section 2.5

## CHAPTER-3

### CONTEMPORARY ISSUE IN HUMAN RESOURCE DEVELOPMENT

#### STRUCTURE

- 3.0 Learning Objectives
- 3.1 Introduction
- 3.2 Concept of human resource development
- 3.3 Contemporary issue in human resource development
- 3.4 Andragogy
- 3.5 Implications of andragogy
- 3.6 Life-long learning
- 3.7 Benefits of life-long learning
- 3.8 Challenges of life-long learning
- 3.9 Best practices of life-long learning
- 3.10 Summary
- 3.11 Self-Check Questions
- 3.12 Answer To Self-Check Questions
- 3.13 Terminal questions
- 3.14 Answer to terminal questions

#### 3.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Discuss the concept of human resource development
- Describe the contemporary issue in human resource development

#### 3.1 INTRODUCTION

HRD stands for Human Resource Development. It is a part of Human Resource Management that focuses on the training and development of employees. HRd aims to improve the knowledge, skills, and abilities of employees, as well as their well-being and

performance. HRd also helps to create a positive work environment that fosters productivity and growth.

Some of the objectives of HRd are:

- To enhance the competence and potential of employees to perform their current and future roles.
- To facilitate the learning and development of employees through various methods, such as job training, coaching, mentoring, career development, etc.
- To align the individual goals of employees with the organizational goals and vision.
- To foster a culture of continuous learning, innovation, and excellence in the organization.
- To improve the quality of work life and employee satisfaction.

Some of the functions of HRd are:

- Conducting training needs assessment and designing training programs for employees.
- Evaluating the effectiveness and impact of training and development activities.
- Providing feedback and guidance to employees on their performance and career progression.
- Developing and implementing policies and practices that support employee development and retention.
- Creating and maintaining a learning environment that encourages collaboration, creativity, and diversity.

### **3.2 CONCEPT OF HUMAR RESOURCE DEVELOPMENT**

HRD is mainly concerned with developing the skills, knowledge and competencies of people and it is people-oriented concept. When we call it a people-oriented concept, the question arises, whether people will be developed in the larger or national context or in the smaller organisational context? Is it different at the macro and micro level? HRD can

be applied both for the national level and organisational level. The concept of HRD is not yet well conceived by various authors though they have defined the term from their approach as it is of recent origin and still is in the conceptualising stage. It is an understanding of the term i.e., new or rather was new. HRD is not Training and Development.

The concept of HRD was formally introduced by Leonard Nadler in 1969 in a conference organised by the American Society for Training and Development. Leonard Nadler defines HRD as “those learning experiences which are organised for a specific time and designed to bring about the possibility of behavioural change.”

Among the Indian authors, T. Ventateswara Rao worked extensively on HRD. He defines HRD in the organisational context as a process by which the employees of an organisation are helped in a continuous, planned way to-

- (i) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
- (ii) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organisational development purposes;
- (iii) Develop an organisational culture in which superior-subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees.

According to Pulapa Subba Rao, HRD from the organisational point of view is a process in which the employees of an organisation are helped/motivated to acquire and develop technical, managerial and behavioural knowledge, skills and abilities and mould the values, beliefs and attitudes necessary to perform present and future roles by realising the highest human potential with a view to contribute positively to the organisational, group, individual and social goals.

Technical skills and knowledge are provided through training, managerial skills and knowledge are provided through management development and behavioural skills and knowledge are provided through organisation development.

A comparative analysis of these definitions shows that the third definition seems to be comprehensive and elaborate as it deals with the developmental aspects of all the components of human resources. Further, it deals with all types of skills, the present and future organisational needs and aspects of contribution not only to organisational but also other goals.

The analysis of the third definition further shows that there are three aspects, viz.- (i) employees of an organisation are helped/motivated; (ii) acquire, develop and mould various aspects of human resources and (iii) contribute to the organisational, group, individual and social goals. The first aspect deals with helping and motivating factors for HRD.

These factors may be called 'Enabling Factors' which include: organisation structure, organisational climate, HRD climate, HRD knowledge and skills of managers, human resources planning, recruitment and selection. The second aspect deals with the techniques or methods which are the means to acquire develop and mould the various human resources.

These techniques include- Performance appraisal, Potential appraisal, Career planning and Development, Training, Management development, Organisational development, Social and Cultural programmes, and workers' participation in management and quality circles. The third category includes the outcomes' contribution of the HRD process to the goals of the organisation, group, individuals and the society.

### **3.3 CONTEMPORARY ISSUE IN HUMAN RESOURCE DEVELOPMENT**

Every HR team faces problems both in the running of their department and in the consistent enforcement of policies across the company in general. Here are the top ten issues facing HR teams in the UK and how they can be addressed.

#### **1. Retention**

Many people think that the main task of Human Resources is to source and employ new talent. However, the truth is that most HR activities revolve around retaining existing talent. Employees are the lifeblood of every company, providing the skills and experience

required to keep productivity levels up. Your business will also have invested significant time and money into ensuring maximum productivity wherever possible. And the key HR responsibility is to protect this valuable asset. Employee retention is a fine balancing act between company culture, remuneration and incentives. The HR department needs to provide each employee with the right combination of all three to satisfy the employee without compromising company interests in the process. They also need to keep accurate records of these combinations to ensure that the agreed packages are being delivered to employees.

## **2. Recruitment**

Whether to complement the existing workforce or to replace staff lost through natural attrition, the second major challenge facing the Human Resources' department is recruitment of talent. Finding staff with the correct blend of skills, personality and motivation is difficult, even when the pool of available candidates is relatively large. Whether recruitment is handled solely by the internal HR department, or with the assistance of a third party, it is essential that the process is managed centrally and effectively. Where there are dozens of applications, the details of each will need to be recorded for review and comparison. An HR software platform allows for storage of applications, CVs and contact details for easy analysis and comparison. Depending on company data retention policies, applications can be stored for months or years in anticipation of new roles becoming available in that period. As an added benefit, having the details of a selection of suitable candidates available for easy consideration cuts future recruitment costs and shortens the time taken to plug a skills gap. Speeding the recruitment process in this way prevents drops in productivity and morale.

## **3. Productivity**

With the workforce headcount issues sorted, the Human Resources team must next look at productivity levels to ensure that the business is operating efficiently. Where productivity is low, HR needs to know whether the problem is caused by poor working practices or lack of resources. This determination is often made by carrying out a Time and Motion (T&M) study to define who does what and how. This study can then be used to identify potential efficiency gains and pave the way for future capital investment

to improve productivity and conditions. Using an integrated HR software platform, senior management and the HR team can store and analyse the T&M data collaboratively. The HR system can also retain this data to provide historical context for later studies to provide a benchmark and to accurately measure improvements made.

#### **4. Training and Compliance**

Training is an essential aspect of employee development, both for their own education but also to ensure you continue to get the best from your workforce. Certain roles demand official training and certification, such as CORGI registration for gas installers, many of which also have a lifespan for renewal. Although the employee bears some responsibility for keeping a track of their own professional registrations, if your business relies on their certified skills, it makes sense to track this information for your own records. If your business has agreed to pay for exams or registration fees, you can keep track of when these payments are due. You can also alert the employee involved, schedule cover for absence during exams, and arrange payments to prevent lapses. Even where training takes place in-house, recording course attendance in a central HR system allows for at-a-glance assessment of workforce skills and regulatory compliance. Has every member of staff received their full induction training? Has anyone missed the annual fire alarm training and needs a refresher? Have internal promotion candidates completed all the relevant courses for the new role? Keeping details of training can help answer all these questions and more.

#### **5. Health and Safety**

Your company is required to record details of health and safety information for legal reasons, similar to maintaining records about professional qualifications and membership of trade bodies. Health and safety records help keep your employees safe at work and ensure that the company is meeting its legal obligations towards both them and the public.

Whenever a health and safety issue arises, HR is called upon to demonstrate that the business has done all that is expected of it. Where proof cannot be shown, the business is at risk of legal ramifications and fines. Once again, the way to mitigate such problems is through the use of accurate records of courses attended, documents issued,

and anything else specific to health and safety legislation that your business does as a matter of course. If an employee attends any course aimed at increasing their personal safety and that of the people around them, the details need to be recorded in case of query or dispute in future. Because course attendance and training is closely linked to general employee records, the HR department is the best equipped to record this information. And the HR software used throughout your business unifies health and safety data with employee records for quick and easy retrieval and analysis.

## **6. Discrimination and Diversity**

If your business has any involvement with public sectors, or has a company policy regarding diversity, you will need to be able to demonstrate your commitments with hard facts from time to time. Where a company advertises commitments to diversity and a desire to reduce discrimination, they will be required to demonstrate their progress towards these goals. To avoid these requests turning into a rushed census of the workforce, it makes sense to record demographics data when a new recruit is hired. As part of the employment contract, a simple set of tick-boxes can be added to record demographic and diversity data, which should be stored with employee records in the HR system. It is also important to record any workplace incidents that appear to involve any form of discrimination. Your business can then carry out disciplinary actions based on company policies and further demonstrate a commitment to these core principles. Your HR software should also help quickly verify whether any staff suspected of participating in discriminatory activities have agreed to act in accordance with company policies as part of their employment contracts.

## **7. Discipline**

Discipline is always one of the least popular issues to tackle in the workplace, and also the point at which the HR department can help resolve incidents satisfactorily for employer and employees. The disciplinary process requires plenty of evidence, and the HR department will often need to obtain statements, records and other supporting data to resolve issues legally and ethically, all of which is time consuming. It is therefore important to keep accurate records of any disciplinary issue, to ensure that the issue is dealt with properly. This includes minutes of meetings, letters between employer,

employee and trade union representatives, and any follow-up activities that need to be undertaken. These records also provide a point of reference to ensure that all parties are meeting their agreed obligations in the event of further disputes. As before, these records need to be easily stored and retrieved, along with any relevant contract details. By using an integrated HR system that supports your process, much of the evidence gathering is simplified, helping to reduce much of the legwork and time associated with resolving discipline issues.

## **8. Outsourcing**

Freelancers and contracts provide an attractive way to augment your company workforce skills and abilities, without the need to permanently hire new staff. This is particularly relevant to projects and contracts that require specialist knowledge, but which are unlikely to become a routine part of your company requirements. However, outsourced employees present new challenges when trying to ensure they meet internal standards and requirements. Do they hold qualifications or industry body memberships? Have they undergone standard company induction training? You may need to know this kind of information at some point in the future, even if it does not seem particularly relevant at the start of their contract. In the same way that you record the employment details of permanent staff, it is essential to keep the same information about contractors, consultants and outsourced employees. Your ideal HR system should let you maintain clearly labelled records of temporary staff for easy retrieval in the event of a future dispute. Or even just to make it easier to re-hire the same people in future.

## **9. Payroll**

. Responsibility for payroll falls between the remits of the accounts and HR departments, often leading to problems with accurate payments to staff. HR maintains records about salary, benefits, bonuses and attachments of earnings, whilst accounts are tasked with actually making the payments. This creates a potential disconnect that can lead to the payroll being run late or employees receiving the wrong sums in their wage packet. To maintain morale and prevent future pay problems, your business should investigate the potential of using a dedicated payroll solution that interfaces directly with your HR software and account system. By uniting both departments electronically, most of the

manual headaches associated with pay can be resolved automatically. Dedicated payroll software helps ensure staff get paid what they are entitled to, when they expect it. Your HR department will also benefit from a reduction in queries, helping to better spread the workload throughout the rest of the month

## **10. Employee queries**

The HR department provides the interface between “the company” and the staff. This means that when it comes to employment issues, disputes or queries relating to work, the HR department is the point of first enquiry. Dealing with queries on pay, perks and performance management reviews on a reasonably regular basis is routine, but also extremely time consuming, particularly where data is not readily available. Every time a member of the HR department needs to chase down a payment detail, or the specifics of a contract variation, they are unable to focus on any of their other responsibilities. A dedicated HR system keeps employment data centralised ready for easy retrieval and significantly reducing the time taken to answer each query. More advanced systems allow “self - service” style access to some data, allowing staff to answer many of their own more basic questions themselves. Easy data access is key to resolutions. The HR team deals with all manner of issues, but the key to resolving them quickly is the same in most cases - easy access to relevant data. In almost all cases, a fully-featured HR and payroll system will provide the storage, retrieval and analysis tools required to answer employment issues and improve departmental efficiency in general.

### **3.4 ANDRAGOGY OF HRD**

Andragogy is the art and science of helping adults learn, as opposed to pedagogy, which is the art and science of teaching children. Andragogy is based on the following assumptions about adult learners:

- They are self-directed and autonomous
- They have accumulated life experiences that serve as a rich resource for learning
- They have learning needs that are related to their changing social roles
- They are problem-centered and seek immediate application of knowledge
- They are motivated by internal factors such as self-esteem, curiosity, and satisfaction

### **3.5 IMPLICATIONS OF ANDRAGOGY**

Human resource development (HRD) is the process of developing and unleashing human potential through learning and performance interventions for the purpose of improving individual, team, and organizational effectiveness. HRD can benefit from applying andragogical principles to design and deliver learning programs that are relevant, engaging, and effective for adult learners.

Some of the implications of andragogy for HRD are:

- Involve learners in the planning, implementation, and evaluation of learning activities
- Recognize and utilize learners' prior experiences and knowledge
- Align learning objectives and outcomes with learners' personal and professional goals
- Provide learners with choices and options for learning methods, materials, and resources
- Facilitate learners' self-directed and collaborative learning
- Provide learners with feedback and support for their learning progress and achievements
- Create a learning environment that is respectful, supportive, and conducive to learning

### **3.6 LIFE-LONG LEARNING**

Life-long learning of human resource development (HRD) is the continuous process of enhancing the skills, knowledge, and competencies of employees and other stakeholders in an organization. It aims to improve individual and organizational performance, as well as contribute to social and economic development.

### **3.7 BENEFITS OF LIFE-LONG LEARNING**

- It helps employees adapt to changing work environments and technologies, and prepare for new roles and responsibilities.
- It fosters a culture of learning and innovation, and encourages knowledge sharing and collaboration among employees.
- It increases employee engagement, motivation, and satisfaction, and reduces turnover and absenteeism.

- It supports the development of leadership and management skills, and facilitates succession planning and career progression.
- It enhances the reputation and competitiveness of the organization, and attracts and retains talent.

### **3.8 CHALLENGES OF LIFE-LONG LEARNING**

- It requires a clear vision and strategy, and alignment with the organizational goals and values.
- It demands a commitment of time, resources, and support from the top management and the stakeholders.
- It involves identifying the current and future skills gaps, and designing and delivering effective and relevant learning interventions.
- It necessitates a culture of feedback and evaluation, and measuring the impact and return on investment of learning activities.
- It faces external factors such as globalization, digitalization, and environmental and social issues that affect the demand and supply of skills.

### **3.9 BEST PRACTICES OF LIFE-LONG LEARNING**

- Conducting a comprehensive learning needs analysis, and involving the employees and the stakeholders in the planning and implementation of learning programs.
- Offering a variety of learning methods and formats, such as formal, informal, and non-formal learning; online, blended, and face-to-face learning; and individual, group, and organizational learning.
- Providing opportunities for experiential learning, such as on-the-job training, coaching, mentoring, job rotation, and project-based learning.
- Creating a supportive learning environment, such as providing access to learning resources, tools, and platforms; recognizing and rewarding learning achievements; and fostering a learning community and network.

- Integrating learning and work, such as aligning learning objectives with work tasks and performance indicators; embedding learning in the work processes and systems; and applying and transferring learning to the work context.

### **3.10 SUMMARY**

HRD is mainly concerned with developing the skills, knowledge and competencies of people and it is people-oriented concept. When we call it a people-oriented concept, the question arises, whether people will be developed in the larger or national context or in the smaller organisational context? Is it different at the macro and micro level? HRD can be applied both for the national level and organisational level. The concept of HRD is not yet well conceived by various authors though they have defined the term from their approach as it is of recent origin and still is in the conceptualising stage. It is an understanding of the term i.e., new or rather was new. HRD is not Training and Development.

### **3.11 SELF-CHECK QUESTIONS**

1. Define life-long learning.
2. Discuss the benefits of life-long learning.

### **3.12 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 3.6
2. For answer refer to section 3.7

### **3.13 TERMINAL QUESTIONS**

1. Explain the concept of human resource development in detail.
2. Discuss the contemporary issues of human resource development in detail.

### **3.14 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 3.1, 3.2
2. For answer refer to section 3.3

## CHAPTER- 4

### SOCIAL CAPITAL THEORY

#### STRUCTURE

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 When to use social capital theory
- 4.3 Types of social capital
- 4.4 Advantages of social capital theory
- 4.5 Limitations of social capital theory
- 4.6 Criticism of social capital theory
- 4.7 Summary
- 4.8 Glossary
- 4.9 Self-Check Questions
- 4.10 Answer To Self-Check Questions
- 4.11 Terminal questions
- 4.12 Answer to terminal questions

#### 4.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the social capital theory and discuss when to use social capital theory
- Discuss the types of social capital
- Describe the advantages of social capital theory
- Discuss the limitations of social capital theory
- Discuss the criticism of social capital theory

#### 4.1 INTRODUCTION

**Social capital theory** is an analytical tool used in management that examines the value of relationships and networks among individuals or organizations. It argues that the quality of connections and interactions between people, as well as the ability to build, maintain and leverage those relationships, can be a source of competitive advantage.

Social capital theory suggests that the strength of these connections can be used to create, share and accumulate resources, knowledge and influence. It emphasizes how the nature, quality and structure of relationships can shape social and economic outcomes.

### **Example of social capital theory**

- A company's ability to make connections with others in the industry can be a source of competitive advantage. For example, having a strong network of contacts in the banking industry can provide access to capital and financing.
- The ability to build and maintain relationships with key customers can increase customer loyalty and provide an edge over competitors. For example, a company that invests in customer relationship management (CRM) technology can track customer interactions and build strong relationships that can be leveraged for future business.
- Social capital theory can be used to understand how organizations can use their relationships to access resources and knowledge. For example, a company may use connections within its industry to access new technology or gain access to the latest industry trends. Additionally, the company may be able to leverage its relationships to find the best suppliers and access new markets.

### **4.2 WHEN TO USE SOCIAL CAPITAL THEORY**

- Social capital theory can be used to understand and analyze a wide variety of phenomena, such as strategic alliances, organizational effectiveness, competitive advantage, and social networks.
- It can also be used to explore how economic and social relationships shape patterns of behavior, as well as how resources are distributed, used, and exchanged.
- It can be used to study how social structures and networks influence cooperation, trust, and information exchange within and between organizations.
- It can be used to analyze the impact of social networks on decisions and outcomes, as well as how information, resources, and power are distributed within and across organizations and networks.

- In addition, social capital theory can be used to explore how individuals and groups can use their relationships to promote collective action and achieve collective goals.

### **4.3 TYPES OF SOCIAL CAPITAL**

Social capital theory encompasses different types of social relationships and networks that can create value within an organization. These include:

- **Bonding Capital:** This type of capital refers to strong, close relationships between individuals or groups that can lead to increased trust and loyalty. It is often derived from shared values, beliefs and experiences.
- **Bridging Capital:** This type of capital is associated with weak, casual relationships that are formed between individuals or groups who are often from different backgrounds or have different interests. These relationships can lead to increased diversity and access to new resources.
- **Linking Capital:** This type of capital is built through strong, formal relationships between individuals or groups. It often involves trade, the sharing of resources, and financial exchanges.
- **Cultural Capital:** This type of capital is built through shared values, beliefs and experiences that are commonly shared among all members of an organization, such as language, religion and customs. It can lead to increased understanding and cohesion among members.

### **4.4 ADVANTAGES OF SOCIAL CAPITAL THEORY**

Social capital theory can be a great asset for managers and organizations. It can help to understand the dynamics of relationships and networks and how to use them for the benefit of the organization. It can provide valuable insights into how to build meaningful relationships and how to leverage them for mutual benefit. The following are some of the advantages of social capital theory:

- **Improved Collaboration:** Social capital theory can help create stronger relationships between individuals or organizations and foster collaboration. By understanding how

to build and maintain relationships, organizations can gain access to resources, knowledge, and influence.

- **Increased Efficiency:** By understanding how to leverage relationships, organizations can be more efficient in their operations. This can help reduce costs, increase efficiency and improve overall performance.
- **Increased Innovation:** Social capital theory can help to create an environment where ideas and innovation can flourish. By building strong relationships and networks, organizations can gain access to new ideas and perspectives that can lead to increased creativity and innovation.
- **Enhanced Reputation:** Social capital theory can help organizations create a positive reputation. By building strong relationships and networks, organizations can create a positive public image and establish trust with stakeholders.
- **Strengthened Resilience:** Social capital theory can help organizations become more resilient in the face of challenges. By understanding how to build and maintain strong relationships, organizations can access resources, knowledge and influence to help them overcome any challenges they may face.

#### **4.5 LIMITATIONS OF SOCIAL CAPITAL THEORY**

One of the main limitations of social capital theory is its lack of precision in defining the term "social capital" itself, making it difficult to measure and capture all of its dimensions.

Other limitations include:

- Its focus on the individual level of analysis, overlooking the broader structural, institutional and cultural contexts in which social capital is embedded.
- Its emphasis on the positive aspects of social capital, overlooking the potential negative consequences of certain relationships and networks.
- Its neglect of the importance of culture in mediating the impact of social capital on individual and collective outcomes.
- Its limited ability to capture the dynamic and shifting nature of social capital, as well as its potential to be manipulated and deployed for strategic ends.

- Its limited capacity to account for the potential for social capital to translate into economic capital.

#### **4.6 CRITISIM OF SOCIAL CAPITAL THEORY**

Social capital theory is a concept that tries to explain how social relationships can produce benefits or costs for individuals and groups. However, it has been widely criticized for being vague, inconsistent, and contradictory. Some of the main criticisms are:

- It is not social: it ignores the power dynamics, conflicts, and inequalities that shape social interactions and outcomes. It also assumes that social relations are always positive and beneficial, while ignoring the negative and harmful effects of some forms of social capital, such as exclusion, corruption, or violence.
- It is not capital: it does not fit the definition of capital as a stock of assets that can be invested, accumulated, or exchanged. It also confuses the causes and effects of social capital, and does not account for the opportunity costs and trade-offs involved in building and maintaining social ties.
- It is not a theory: it lacks a clear and coherent framework that can explain and predict social phenomena. It is more of a metaphor or a buzzword that can be used to justify any argument or policy. It also suffers from circular reasoning, measurement problems, and context dependency.

These criticisms suggest that social capital theory needs to be refined, clarified, and tested empirically before it can be used as a valid and reliable tool for social analysis and intervention.

#### **4.7 SUMMARY**

Social capital theory is an analytical tool used in management that examines the value of relationships and networks among individuals or organizations. It argues that the quality of connections and interactions between people, as well as the ability to build, maintain and leverage those relationships, can be a source of competitive advantage. Social capital theory suggests that the strength of these connections can be used to

create, share and accumulate resources, knowledge and influence. It emphasizes how the nature, quality and structure of relationships can shape social and economic outcomes.

#### **4.8 GLOSSARY**

- **Social capital theory:** It is an analytical tool used in management that examines the value of relationships and networks among individuals or organizations. It argues that the quality of connections and interactions between people, as well as the ability to build, maintain and leverage those relationships, can be a source of competitive advantage.

#### **4.9 SELF-CHECK QUESTIONS**

1. What do you mean by social capital theory?
2. Discuss the types of social capital theory.

#### **4.10 ANSWER TO SELF CHECK QUESTIONS**

1. For answer refer to section 4.1
2. For answer refer to section 4.3

#### **4.11 TERMINAL QUESTIONS**

1. What do you mean by social capital theory? When to use social capital theory explain it in detail?
2. Discuss the types of social capital and criticism of social capital theory in detail.
3. Describe the advantages and limitations of social capital theory.

#### **4.12 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 4.1, 4.2
2. For answer refer to section 4.3, 4.6
3. For answer refer to section 4.4, 4.5

## **CHAPTER-5**

### **LEARNING NETWORK THEORY**

#### **STRUCTURE**

- 5.0 Learning Objectives
- 5.1 Introduction
- 5.2 Characteristics of learning network theory
- 5.3 Objectives of learning network theory
- 5.4 Advantages of learning network theory
- 5.5 Disadvantages of learning network theory
- 5.6 Summary
- 5.7 Glossary
- 5.8 Self-Check Questions
- 5.9 Answer To Self-Check Questions
- 5.10 Terminal questions
- 5.11 Answer to terminal questions

#### **5.0 LEARNING OBJECTIVES**

**After studying the lesson, you should be able to:-**

- Describe the concept of learning network theory
- Discuss the characteristics and objectives of learning network theory
- Discuss the advantages and disadvantages of learning network theory

#### **5.1 INTRODUCTION**

Learning network theory is a descriptive theory that explains how different actors in an organization can organize and develop their learning in relation to their work. It is based on the idea that learning is a process of creating and maintaining connections with people and information, and that these connections form dynamic networks that support learning.

Some key concepts of learning network theory are:

- Learning actors: These are the individuals or groups who participate in learning activities, such as employees, managers, trainers, consultants, etc. They have different roles, interests, and strategies for learning.
- Learning resources: These are the sources of information and knowledge that learning actors use, such as documents, databases, machines, experts, etc. They can be internal or external to the organization.
- Learning relations: These are the interactions and communications that learning actors have with each other and with learning resources. They can be formal or informal, direct or indirect, and can vary in frequency, intensity, and quality.
- Learning networks: These are the patterns of learning relations that emerge from the combination of learning actors and learning resources. They can be seen as the structure and the process of learning in an organization. They can be analyzed at different levels, such as individual, team, department, or organization.

Learning network theory can help us understand and improve the organization of learning systems in work settings. It can help us identify the strengths and weaknesses of existing learning networks, and suggest ways to enhance them by creating more connections, diversity, and flexibility. It can also help us design and implement learning interventions that are aligned with the needs and goals of the learning actors and the organization.

## **5.2 CHARACTERISTICS OF LEARNING NETWORK THEORY**

Learning network theory is a descriptive theory that explains how employees can learn from each other and from their work environment in a dynamic and flexible way. According to this theory, learning networks are formed by the interactions and relationships between different actors, such as employees, managers, customers, suppliers, etc. Learning networks can take various shapes depending on the characteristics of the work, the goals of the learning, and the preferences of the actors.

Some of the main characteristics of learning network theory are:

- Learning is seen as a social and relational process, not just an individual or cognitive one.

- Learning is embedded in the work context and is influenced by the tasks, tools, and technologies that are available.
- Learning is emergent and adaptive, meaning that it can change and evolve according to the needs and challenges of the situation.
- Learning is self-organized and self-directed, meaning that the actors can choose how, when, and with whom they want to learn.
- Learning is collaborative and cooperative, meaning that the actors can share their knowledge, experiences, and perspectives with each other.
- Learning is reflective and evaluative, meaning that the actors can monitor and assess their own learning and the learning of others.

Learning network theory can help employees, managers, and other learning actors to understand and develop alternative ways of organizing employee learning in relation to work. It can also help to identify the factors that facilitate or hinder the formation and functioning of learning networks.

### **5.3 OBJECTIVES OF LEARNING NETWORK THEORY**

Learning network theory is a branch of electrical engineering that deals with the analysis and synthesis of linear circuits composed of resistors, capacitors, inductors, and sources. Some of the objectives of learning network theory are:

- To understand the basic concepts and principles of circuit elements, laws, and theorems.
- To apply various techniques to solve circuits in time and frequency domains, such as mesh and nodal analysis, superposition, Thevenin and Norton equivalents, Laplace transform, Fourier series, and Fourier transform.
- To study the properties and applications of network functions, such as poles, zeros, stability, driving point and transfer functions, and frequency response.
- To learn the concepts of network topology, such as graph, tree, branch, node, loop, cutset, and incidence matrices.

- To synthesize passive networks using different methods, such as Foster and Cauer forms, Hurwitz polynomials, and positive real functions.

Learning network theory can help students to develop analytical and problem-solving skills, as well as to design and implement various circuits for communication, signal processing, and control systems.

#### **5.4 ADVANTAGES OF LEARNING NETWORK THEORY**

Network theory is a branch of mathematics and computer science that studies the properties and behaviors of complex systems composed of interconnected elements, such as social networks, biological networks, communication networks, and more.

Learning network theory can have many benefits, such as:

- It can help you understand how different types of networks are structured, organized, and function, and how they can be modeled, analyzed, and optimized using mathematical tools and algorithms.
- It can help you discover and explore the patterns, dynamics, and phenomena that emerge from the interactions and interdependencies of network elements, such as network robustness, resilience, centrality, clustering, diffusion, contagion, and more.
- It can help you apply network theory to various domains and disciplines, such as sociology, biology, physics, engineering, economics, and more, and solve real-world problems that involve networked systems, such as social influence, disease spread, information flow, network security, and more.
- It can help you develop and enhance your skills in critical thinking, logical reasoning, problem-solving, data analysis, and computational thinking, as well as your creativity and innovation.

#### **5.5 DISADVANTAGES OF LEARNING NETWORK THEORY**

Network theory is a branch of mathematics that studies the properties and behavior of complex networks, such as social networks, biological networks, or computer networks.

Learning network theory can help us understand how these networks are formed, how

they evolve, and how they influence various phenomena. However, learning network theory also has some disadvantages, such as:

- It can be difficult to apply network theory to real-world problems, as networks are often noisy, incomplete, dynamic, and heterogeneous. Network theory often relies on idealized models and assumptions that may not hold in reality. For example, network theory may assume that all nodes and links are equally important, or that the network structure is static and known, which may not be the case for many real networks.
- It can be challenging to learn network theory, as it requires a solid background in mathematics, statistics, and computer science. Network theory involves concepts such as graph theory, matrix algebra, probability theory, optimization, algorithms, and machine learning, which may not be easy to grasp for beginners or non-experts.
- It can be hard to interpret and communicate the results of network analysis, as networks are often high-dimensional, nonlinear, and complex. Network theory often uses abstract and technical language, such as centrality, modularity, clustering, community detection, etc., which may not be intuitive or meaningful for non-specialists. Moreover, network theory may not provide clear causal explanations or actionable insights for the problems it addresses, but rather descriptive or exploratory analysis

These are some of the disadvantages of learning network theory. However, network theory also has many advantages, such as its generality, flexibility, and applicability to various domains and disciplines. Therefore, learning network theory can be a rewarding and useful endeavor, as long as one is aware of its limitations and challenges.

## **5.6 SUMMARY**

Learning network theory is a descriptive theory that explains how different actors in an organization can organize and develop their learning in relation to their work. It is based on the idea that learning is a process of creating and maintaining connections with people

and information, and that these connections form dynamic networks that support learning. Learning network theory can help us understand and improve the organization of learning systems in work settings. It can help us identify the strengths and weaknesses of existing learning networks, and suggest ways to enhance them by creating more connections, diversity, and flexibility. It can also help us design and implement learning interventions that are aligned with the needs and goals of the learning actors and the organization. Network theory is a branch of mathematics that studies the properties and behavior of complex networks, such as social networks, biological networks, or computer networks. Learning network theory can help us understand how these networks are formed, how they evolve, and how they influence various phenomena.

## **5.7 GLOSSARY**

- **Learning network theory:** It is a descriptive theory that explains how different actors in an organization can organize and develop their learning in relation to their work. It is based on the idea that learning is a process of creating and maintaining connections with people and information, and that these connections form dynamic networks that support learning

## **5.8 SELF-CHECK QUESTIONS**

1. What do mean by learning network theory?
2. Discuss the Characteristics of learning network theory.
3. Explain the objectives of learning network theory.

## **5.9 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 5.1
2. For answer refer to section 5.2
3. For answer refer to section 5.3

## **5.10 TERMINAL QUESTIONS**

1. Explain in detail the concept of learning network theory.

2. Discuss the characteristics and objectives of learning network theory.
3. Discuss the advantages and disadvantages of learning network theory.

### **5.11 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 5.1
2. For answer refer to section 5.2, 5.3
3. For answer refer to section 5.4, 5.5

## **CHAPTER-6**

### **SYSTEM THEORY TO HRD**

#### **STRUCTURE**

- 6.0 Learning Objectives
- 6.1 Introduction
- 6.2 Concept of system theory
- 6.3 Basic components of systems
- 6.4 Implications of system theory
- 6.5 Framework of system theory
- 6.6 Summary
- 6.7 Glossary
- 6.8 Self-Check Questions
- 6.9 Answer To Self-Check Questions
- 6.10 Terminal questions
- 6.11 Answer to terminal questions

#### **6.0 LEARNING OBJECTIVES**

**After studying the lesson, you should be able to:-**

- Describe the concept of system theory
- Discuss the components of system theory
- Describe the implications of system theory

#### **6.1 INTRODUCTION**

System theory is a foundational theory that supports the field of human resource development (HRD). It helps to understand HRD as a complex and dynamic system that interacts with its environment and adapts to changing conditions. System theory also provides a framework for designing, implementing, and evaluating HRD interventions that are aligned with the needs and goals of the organization and its stakeholders. Here is a brief note on the relevance of system theory to HRD:

- System theory views HRD as a **process** that involves inputs, outputs, feedback, and control mechanisms. Inputs are the resources and demands that HRD receives from its environment, such as human capital, organizational strategy, and external factors. Outputs are the results and outcomes that HRD produces for its environment, such as improved performance, learning, and innovation. Feedback is the information that HRD receives from its environment about the effectiveness and efficiency of its outputs. Control mechanisms are the rules and standards that HRD uses to regulate its inputs, outputs, and feedback. System theory helps HRD to optimize its process by ensuring that its inputs match its outputs, its feedback is accurate and timely, and its control mechanisms are appropriate and flexible.
- System theory views HRD as a **system** that consists of interrelated and interdependent components that function as a whole. These components include the HRD professionals, the learners, the managers, the sponsors, the facilitators, the content, the methods, the technology, and the context. System theory helps HRD to integrate its components by ensuring that they are aligned with each other, they share a common vision and purpose, they communicate and collaborate effectively, and they learn and improve continuously.
- System theory views HRD as a **management** function that requires strategic planning, coordination, and evaluation. System theory helps HRD to manage its function by ensuring that it aligns with the organizational mission, vision, and values, it coordinates with other organizational functions and systems, and it evaluates its impact and value on the organization and its stakeholders.

System theory is relevant to HRD because it provides a comprehensive and holistic perspective that enables HRD to understand, design, implement, and evaluate its interventions in a complex and dynamic environment. System theory also helps HRD to enhance its effectiveness, efficiency, and responsiveness to the changing needs and goals of the organization and its stakeholders.

## 6.2 CONCEPT OF SYSTEM THEORY

Discussions about system theory invariably begin with the usual disclaimer that system theory is not actually a single, formal theory per se. Rather, that system theory can be more accurately characterized as constituting a set of models, principles, and laws that apply to all entities, regardless of their kind (von Bertalanffy, 1968). Von Bertalanffy, the generally acknowledged intellectual force on the topic, further likened the understanding and acceptance of general system theory as a shift in scientific paradigm, from a mechanistic focus on individual aspects to a focus on the parts and the whole at the same time. The goal of system theory is to explain things, natural or artificial, as that of systems and the interplay of their respective constituent parts. As a result, system theory has served to integrate various scientific fields, especially those with an applied orientation, through a common set of understandings and language. System theory does not provide the content for any given field of study, but instead system theory provides much of its form and structure. It is for that reason, say, that quantum mechanics can be shown to have certain correspondences with that of human resource development, two totally unrelated fields.

How system theory explains commonalities across disciplines can often be confirmed in a practical sense. For instance, a range of professionals—information technologists, management consultants, salespersons, and engineers—may all refer to goals, customers, needs, projects, constraints, and timelines as part of their work, without ever realizing that the source of these terms and the meanings attached to them are derived originally from core system theory principles. Isomorphism is the system theory term used that refers to the parallel structures that exist among systems (von Bertalanffy, 1968).

At the core of understanding system theory is the singular meaning of system (Ackoff, 1999). There are real systems that represent observations of actual things or conceptual systems that may correspond with reality, but the components are meant to be symbolic or abstract, such as logical schemes. The conceptual framework of a research study that shows the relationships among variables is an example of a conceptual system. It seems reasonable to restrict the discussion in this chapter to artificial systems that have been purposely designed. A system may be conceptualized in its current observable state and

it may be represented in a not yet realized ideal or future state. Articulating between current and idealized system states constitutes much of the planning process across disciplines.

A system at once has component parts or elements, each of the parts having unique attributes; the parts have relationships and interactions among each other; and, finally, the system has an environment or a context in which the parts function as a whole. From this perspective, literally all objects, events, or combination of actions with things are considered systems. Simply put, everything possible is, in fact, a system. As presented, a system has sets of inputs, processes, outputs, and feedback or feed forward. In brief, inputs are the various elements, some of which are not readily apparent, that a system uses as resources from which to function. The goal, or the reason for the existence of the system, is a critical type of input, as it focuses, energizes, and differentiates one system from another. Resources used by the system, such as money, materials, facilities, people, and information, also constitute important sets of inputs.

Processes are the various activities that a system undertakes to use the various inputs to achieve the intended goals. This may include human actions, machine actions using technology, or some combination of the two. Outputs are the results, both intended and unintended, that occur from the processes. How those outputs are achieved may be accomplished through varying approaches or experiences, representing the principle of equifinality.

Finally, feedback and feed forward mechanisms allow systems to be managed and regulated in some predictable way. The aspects of feedback and feed forward themselves have evolved into a separate discipline known as cybernetics, which focuses on how communication directs and controls system behavior (Wiener, 1988). When information from the outputs returns back to the inputs unchanged, then it essentially becomes feedback. But when the information from the outputs causes changes to the inputs in some way, then it becomes feed forward. The common example of a room thermostat helps illustrate this point. Feedback occurs when the temperature in the room reaches the temperature set on the thermostat; the furnace will turn off, since its affects are no longer required. This illustrates the process of homeostasis in which a system state

changes—furnace turns on and off—to stay the same. In this case, the room temperature matches the thermostat setting. Feed forward is when the temperature setting on the thermostat is purposely changed to either a higher or lower setting from the original setting, which in turn causes the furnace to respond by changing its process cycle, either by staying on for a longer or shorter period of time.

### **6.3 BASIC COMPONENTS OF SYSTEMS THEORY**

Thus, changing the inputs, based on some judgment of the adequacy of the outputs, is considered as feed forward. For instance, when management decides to change the mission or goals of an organization based on the ongoing performance or some external factors, the activities of the organization must, in turn, respond to this new information. Feedback and feed forward represent how information influences the functioning of a system. Explanations about how systems undergo change, based on changes in the inputs, point to the complex issue of causality—why a system state moves from one point to another. System theory recognizes the existence of multiple forms of causality: linear, linear chains, multiple simultaneous causes, and mutual causation. Chaos theory (Kellert, 1993) uses mathematics to study the behavior of systems that are highly sensitive to initial input conditions such that small differences may yield widely diverging outcomes, making predictions about system behavior increasingly difficult. Small differences in the inputs may result in wholly unpredictable, and sometimes random, sets of outputs. Contrary to some perspectives, chaos theory does not invalidate the pervasiveness of systems. Rather, chaos theory highlights the folly in believing that one might be able to know beforehand all the variables that might impinge on the behavior of complex systems. Indeed, one might never really know the variables until some unexpected result occurs, which makes individuals ponder what they have missed. In truth, it may not always be possible to know some information related to a system.

Systems are themselves comprised of subordinate systems, or sub-systems, and the interaction among these sub-systems often results in a constant state of change. The notion of system state defines the features of a system at any given point in time, with the likely intent that the current system state should be viewed as an approximation of the desired future system state. The notion of system state—current or future—is a critical

principle to consider when organizations engage in planned change. Paradoxically, the desired system state, once achieved, immediately becomes the current state. The current system state and the future system state almost never last for any length of time, changing either intentionally or unintentionally.

Boundaries help distinguish a system from other systems. Open systems have boundaries that allow free passage of information and objects among systems. Closed systems eventually suffer from entropy, or the decay of their components caused by a lack of information. Designating a system boundary can often be problematic, particularly in contemporary organizations. Today, boundaries represent more functional than physical separations. The notion of a soft system has emerged to describe the increasingly common situation when organizations have relatively ill-defined boundaries, making problem identification and problem solving all the more complicated.

In the past, the organization itself often served as a proxy for its system boundaries. However, the increasing prevalence of outsourcing, global supply chains, and sub-assembly partners make designating an organization's system boundary all the more complicated. For instance, it is well known that Samsung and Apple compete against each other in the smart-telephone marketplace. At the same time, Samsung is also a supplier to Apple for its component parts. Thus, Samsung could be considered at once within and outside the system boundaries of Apple, depending on how one defines the system of interest. Such contradictions—intense competitors and partners at the same time—illustrate the increasing difficulty of defining system boundaries and, by extension, understanding and solving problems within them.

Careful readers of the HRD literature might notice that the word “system” may at times appear with an s at the end and sometimes without an s at the end. The difference in meaning goes beyond representing the singular or plural forms of the word. The term system usually suggests that a broader, more inclusive perspective is being recognized when considering the entity at hand. The accompanying adjective form—systemic—may help readers better understand this point. Systemic perspectives, such as often used with family counseling, disease treatment, or accident analysis, are understood to represent a

frame of reference that includes the system of immediate focus as well as any interacting or adjoining systems as well.

On the other hand, the term systems usually refers to a more narrow focus that is limited to the immediate entity of interest. Again, the accompanying adjective form—systematic—suggests a more circumscribed set of actions. This point might be illustrated when engaging in either training systems design or training system design, with the understanding that each represents the inclusion or exclusion of differing sets of variables. Training system design might result in designing a training program for the audience as intended, say, frontline employees, but might also consider other training interventions that might be necessary in the situation, say, also for managers and supervisors.

In a related sense, the foundational text by Ludwig von Bertalanffy (1968), *General System Theory*, is often mistakenly listed in citations as *General Systems Theory*, with one letter added that editors often overlook. The preferred usage in this chapter is that of the broader perspective, system, unless otherwise specified.

System theory is a transdisciplinary approach that studies systems as cohesive groups of interrelated and interdependent components. Systems theory can be applied to various fields, such as management, ecology, sociology, and economics. Some of the main components of system theory are:

- **Sub-system:** A sub-system is a part of a larger system that has its own structure, function, and role. For example, a department is a sub-system of an organization, which is a sub-system of an industry, and so on.
- **Synergy:** Synergy is the phenomenon where the output of a system is greater than the sum of the outputs of its sub-systems. This means that the system has emergent properties that arise from the interactions and relationships among its components. For example, a team can achieve more than the individual members by working together.
- **Open and closed systems:** An open system is a system that interacts with its environment and exchanges inputs and outputs with it. An open system adapts to

the changes and feedback from the environment. A closed system is a system that has no or very little interaction with its environment. A closed system is isolated and does not respond to external influences. For example, a living organism is an open system that needs nutrients and oxygen from the environment, while a clock is a closed system that operates independently of its surroundings.

- **System boundary:** A system boundary is the line that separates a system from its environment. The system boundary defines what is included and excluded in the system. The system boundary can be flexible or rigid, depending on the degree of openness of the system. For example, a company can have a flexible boundary that allows it to collaborate with other organizations, or a rigid boundary that protects its proprietary information.
- **Flow:** Flow is the movement of inputs and outputs within and between systems. Flow represents the processes and operations that transform the inputs into the desired outputs. Flow can be linear or circular, depending on the nature of the system. For example, a production line has a linear flow of raw materials, intermediate products, and finished goods, while a recycling system has a circular flow of waste, reuse, and recovery.
- **Feedback:** Feedback is the information that a system receives from its environment or from its own output. Feedback can be positive or negative, depending on whether it reinforces or modifies the behavior of the system. Feedback can be used for control, learning, or improvement of the system. For example, a customer satisfaction survey can provide feedback to a company about its products and services, and help it to make adjustments accordingly.

#### **6.4 IMPLICATIONS OF SYSTEM THEORY**

As an applied field of study, human resource development draws three interrelated implications from system theory: (1) the HRD process, (2) HRD as a system, and (3) the management of HRD systems. These implications represent a system design perspective, which basically seeks to engage in the design and management of relatively complex systems, such as organizations, that is, organizations that combine people,

machines, technology, buildings, money, and processes in particular ways to achieve their missions.

All applied fields of study and practice have a dual nature to them. That is, applied fields have both their contributing bodies of knowledge and sets of practices that apply the body of knowledge in useful ways to solve societal problems. An analogy for the relationship between the bodies of knowledge and the application of that information might be taken from examining the two sides of a coin. Each side differs from the other, but the coin cannot possibly exist without having the two sides together.

Some fields of study, such as philosophy, mathematics, or the liberal arts, do not have an external referent to them. Applying a body of knowledge into its respective practice realm requires design as both a process and an outcome. System design is fundamental for all applied fields of study: architecture, engineering, law, management, and even medicine. Practitioners of all sorts are bound by the common action of engaging in a design process to achieve an outcome (Van Aken & Romme, 2009).

Buckminster Fuller (Fuller & McHale, 1963) and Herbert Simon (1996) characterized such activities as constituting a design science, or a science of design. A science of design represents both a generalized method and its outcome, which are independent from the content of the method or the nature of the outcome.

System theory is a way of understanding and managing complex systems, such as organizations, that are composed of interrelated parts that function as a whole. System theory can help human resource development (HRD) professionals to analyze, design, and evaluate HRD interventions that aim to improve the performance and learning of individuals, teams, and organizations.

Some of the main implications of system theory for HRD are:

- HRD interventions should be aligned with the goals and needs of the system, and consider the impact on other parts of the system. For example, a training program for employees should not only improve their skills, but also support the strategic

objectives of the organization and the expectations of the customers and stakeholders.

- HRD interventions should be based on a systemic diagnosis of the performance gaps and root causes, and not on isolated symptoms or assumptions. For example, a performance problem may be caused by a lack of motivation, feedback, resources, or support, and not necessarily by a lack of knowledge or skill.
- HRD interventions should be evaluated in terms of their effectiveness, efficiency, and sustainability, and not only by their immediate outcomes or reactions. For example, a successful HRD intervention should not only achieve the desired learning or behavioral change, but also enhance the system's capacity to adapt, innovate, and grow.

System theory can provide a useful framework for HRD theory, research, and practice, as it can help HRD professionals to understand the complexity and dynamics of human systems, and to design and implement HRD interventions that are holistic, systemic, and relevant

## **6.5 FRAMEWORK OF SYSTEM THEORY**

System theory is a way of understanding the complex and dynamic interactions of various elements within a system, such as an organization, a process, a group, or an individual. System theory can be applied to HRD to provide a holistic and integrative perspective on how to develop human resources in alignment with the organizational goals and environment.

According to system theory, a system consists of three basic components: inputs, processes, and outputs. Inputs are the resources or factors that enter the system, such as human capital, technology, information, and culture. Processes are the activities or functions that transform the inputs into outputs, such as learning, training, performance, and change. Outputs are the results or outcomes that emerge from the system, such as productivity, quality, innovation, and satisfaction.

A system also has two additional components: feedback and boundaries. Feedback is the information or evaluation that the system receives from its outputs, which can be used to monitor and improve the system's performance. Boundaries are the limits or constraints that define the system's scope, identity, and interaction with other systems.

The framework of system theory can help HRD practitioners to design, implement, and evaluate HRD interventions that are relevant, effective, and sustainable. By using system theory, HRD practitioners can:

- Identify the inputs, processes, and outputs of the HRD system and how they are interrelated and interdependent.
- Analyze the feedback and boundaries of the HRD system and how they affect the system's performance and adaptation.
- Align the HRD system with the organizational system and the external environment and ensure their mutual support and compatibility.
- Optimize the HRD system's efficiency, effectiveness, and equity by balancing the needs and interests of various stakeholders and beneficiaries.
- Enhance the HRD system's learning, innovation, and change capabilities by fostering a culture of continuous improvement and development.

## 6.6 SUMMARY

System theory is a foundational theory that supports the field of human resource development (HRD). It helps to understand HRD as a complex and dynamic system that interacts with its environment and adapts to changing conditions. System theory also provides a framework for designing, implementing, and evaluating HRD interventions that are aligned with the needs and goals of the organization and its stakeholders. System theory views HRD as a **process** that involves inputs, outputs, feedback, and control mechanisms. Inputs are the resources and demands that HRD receives from its environment, such as human capital, organizational strategy, and external factors. Outputs are the results and outcomes that HRD produces for its environment, such as improved performance, learning, and innovation. Feedback is the information that HRD receives from its environment about the effectiveness and efficiency of its outputs. Control

mechanisms are the rules and standards that HRD uses to regulate its inputs, outputs, and feedback. System theory helps HRD to optimize its process by ensuring that its inputs match its outputs, its feedback is accurate and timely, and its control mechanisms are appropriate and flexible.

## **6.7 GLOSSARY**

- **System theory:** It is a foundational theory that supports the field of human resource development (HRD). It helps to understand HRD as a complex and dynamic system that interacts with its environment and adapts to changing conditions. System theory also provides a framework for designing, implementing, and evaluating HRD interventions that are aligned with the needs and goals of the organization and its stakeholders.

## **6.8 SELF-CHECK QUESTIONS**

1. Define System theory.
2. Discuss the components of system theory.

## **6.9 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 6.1
2. For answer refer to section 6.3

## **6.10 TERMINAL QUESTIONS**

1. What do you mean by system theory to HRD? Explain its components.
2. Explain the implication of system theory in detail.
3. Discuss the framework of system theory.

## **6.11 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 6.1, 6.2 and 6.3
2. For answer refer to section 6.4
3. For answer refer to section 6.5

## **CHAPTER-7**

### **HUMAN CAPITAL THEORY**

#### **STRUCTURE**

- 7.0 Learning Objectives
- 7.1 Introduction
- 7.2 Who invented the human capital theory?
- 7.3 Types of human capital theory
- 7.4 Human capital theory in hrm
- 7.5 Advantages of human capital theory
- 7.6 Disadvantages of human capital theory
- 7.7 History of human capital
- 7.8 Criticism of human capital theory
- 7.9 How to determine if your human capital management is working?
- 7.10 Summary
- 7.11 Glossary
- 7.12 Self-Check Questions
- 7.13 Answer To Self-Check Questions
- 7.14 Terminal questions
- 7.15 Answer to terminal questions

#### **7.0 Learning Objectives**

**After studying the lesson, you should be able to:-**

- Describe the concept of human capital theory and who invented the human capital theory?
- Discuss the types of human capital theory
- Discuss the advantages and disadvantages of human capital theory
- Describe the history of human capital
- Discuss the criticism of human capital theory

#### **7.1 INTRODUCTION**

Human capital theory is a concept that views human beings as a form of capital that can be invested in through education, training, and other forms of learning to increase their productivity and value in the labour market. Human resource development (HRD) is a process of enhancing the knowledge, skills, and abilities of employees to improve their performance and achieve organizational goals. HRD can be seen as an application of human capital theory in the context of human resource management.

A note on the introduction of human capital theory to HRD could include the following points:

- The origin and evolution of human capital theory, from the classical economists to the modern scholars such as Becker and Schultz, who emphasized the role of education and training as investments in human capital.
- The definition and dimensions of human capital, such as human capital stock (the accumulated level of human capital), human capital flow (the rate of change of human capital), and human capital quality (the efficiency and effectiveness of human capital).
- The benefits and challenges of human capital theory, such as how it can explain the differences in wages, productivity, and economic growth among individuals, firms, and countries, as well as how it can face criticism for being too simplistic, individualistic, and neglecting the social and institutional factors that affect human capital formation and utilization.
- The link and relevance of human capital theory to HRD, such as how HRD can be seen as a strategic function that aims to develop and manage the human capital of an organization, and how HRD can use various techniques and practices to enhance the human capital of employees, such as training, career development, performance management, coaching, mentoring, talent management, and organizational development.
- The implications and recommendations of human capital theory for HRD, such as how HRD should align its objectives and activities with the organizational strategy and goals, how HRD should measure and evaluate the return on investment and

impact of its interventions on human capital, and how HRD should foster a culture of learning and innovation that supports the continuous development and improvement of human capital.

## **7.2 WHO INVENTED THE HUMAN CAPITAL THEORY?**

The first writings on human capital comes from the 18th century Scottish economist, Adam Smith. But, the American economist, Greg Becker, was arguably the biggest pioneer for the human capital theory. Through his works in economic sciences, he coined the idea of investing in people.

His works allow us to view the link between human labour and production. And how human capital can enhance the workplace today. We shouldn't view the theory as selling humans as a commodity. But rather as investing in their talents and performance, benefiting themselves and the business.

## **7.3 TYPES OF HUMAN CAPITAL THEORY**

Human capital theory is a concept that views the skills, knowledge, and abilities of workers as a form of capital that can be invested in and enhanced through education and training. Human capital theory has been used to explain the relationship between human resources development (HRD) and organizational performance, as well as to justify the value and importance of people to organizational success.

There are different types of human capital theory that have been applied to HRD, such as:

- **Psychological theory:** This theory focuses on the individual level of human capital, and how psychological factors such as motivation, self-efficacy, and learning styles influence the acquisition and transfer of skills and knowledge.
- **Economic theory:** This theory focuses on the organizational level of human capital, and how economic factors such as wages, productivity, and competitiveness affect the demand and supply of skills and knowledge.

- **Systems theory:** This theory focuses on the environmental level of human capital, and how social, cultural, and institutional factors shape the context and outcomes of skills and knowledge development.
- **Scarce resource theory:** This theory views human capital as a scarce and valuable resource that needs to be managed and allocated efficiently and effectively to achieve organizational goals.
- **Sustainable resource theory:** This theory views human capital as a renewable and dynamic resource that needs to be nurtured and developed continuously to ensure organizational sustainability and innovation.

A note on types of human capital theory to HRD could include the following points:

- Human capital theory is a useful framework for understanding and improving the value and impact of people to organizational success.
- Human capital theory can help HRD practitioners design and implement interventions that enhance the skills and knowledge of workers at different levels of analysis (individual, organizational, environmental).
- Human capital theory can help HRD practitioners measure and evaluate the outcomes and benefits of their interventions in terms of human capital indicators (such as return on investment, human capital index, human capital report).
- Human capital theory can help HRD practitioners align their strategies and practices with the needs and expectations of various stakeholders (such as employees, managers, customers, shareholders, society).
- Human capital theory can help HRD practitioners address the challenges and opportunities of the changing world of work (such as globalization, digitalization, diversity, sustainability).

#### **7.4 HUMAN CAPITAL THEORY IN HRM (HUMAN RESOURCES MANAGEMENT)**

The managing department of any business will always benefit from a well-functioning workforce. Their main work tasks are to oversee your staff's performance rates. Human capital management allows your managers to:

- Set achievable goals – for both daily and in the long-run.
- Provide coaching and training for your staff.
- Deliver constructive feedback on improvement.

In some ways, human capital management may be a complicated phrase for performance management. But in the end, these managers can help create your foundations for profitable human capital management.

## **7.5 ADVANTAGES OF HUMAN CAPITAL THEORY**

Human capital theory (HCT) is an economic theory that views people as assets whose value can be enhanced through education, training, and experience. HCT has many advantages for human resource development (HRD) and organizational development (OD), such as:

- It provides a rationale for investing in people's skills and knowledge, which can improve their productivity and performance.
- It supports the identification and development of talent, ensuring that the organization has a pool of qualified and capable employees.
- It facilitates succession planning, preparing future leaders and ensuring organizational continuity and growth.
- It fosters career development, creating a mutually beneficial relationship between the individual and the organization.
- It enhances organizational performance, as human capital investments can boost output, innovation, and competitiveness.
- It enables change management, equipping employees to adapt to changing environments and demands.

- It creates a positive culture and climate, where employees feel valued and motivated.

HCT is a powerful and influential theory that can guide HRD and OD practices and strategies. By applying HCT principles, organizations can leverage their human resources to achieve their goals and objectives.

## **7.6 DISADVANTAGES OF HUMAN CAPITAL THEORY**

Human capital theory is a framework that views human resources as a form of investment that can enhance the productivity and economic output of individuals and organizations. However, this theory has some limitations and disadvantages when applied to human resource development (HRD), such as:

- It assumes a linear and causal relationship between education and work, ignoring the complexity and diversity of human learning and labor markets.
- It cannot explain how education improves the quality and creativity of human work, or why there are persistent inequalities and inefficiencies in the distribution of human capital and income.
- It neglects the role of social, cultural, and institutional factors that shape human capabilities and opportunities, such as power, status, identity, and values.
- It reduces human beings to economic agents who are motivated by self-interest and utility maximization, overlooking the ethical and moral dimensions of human development and well-being.

Therefore, human capital theory may not be a suitable or sufficient approach to understand and promote HRD, which aims to enhance the potential and performance of human resources in a holistic and sustainable manner. HRD may require alternative or complementary perspectives that can account for the multidimensional and dynamic nature of human development and its social and environmental implications.

## **7.7 HISTORY OF HUMAN CAPITAL**

The idea of human capital can be traced back to the 18th century. Adam Smith referred to the concept in his book *An Inquiry into the Nature and Causes of the Wealth of Nations*, in which he explored the wealth, knowledge, training, talents, and experiences of a nation. Adams suggested that improving human capital through training and education leads to a more profitable enterprise, which adds to the collective wealth of society. According to Smith, that makes it a win for everyone.

In more recent times, the term was used to describe the labor required to produce manufactured goods. But the most modern theory was used by several different economists including Gary Becker and Theodore Schultz, who invented the term in the 1960s to reflect the value of human capacities.

Schultz believed human capital was like any other form of capital to improve the quality and level of production. This would require an investment in the education, training, and enhanced benefits of an organization's employees.

## **7.8 CRITICISM OF HUMAN CAPITAL THEORY**

- Whilst the positive points for human capital may seem attractive, the theory isn't without its critiques.
- The concept of human capital theory is for humans to invest in themselves. But many might critique employees are assets first and then humans. Some find it discouraging to be referred to as "business tools" or possessions of the business.
- Other accounts argue the human capital development theory doesn't allow concise measures for talents and skills. To mark or even award employees against these is intangible. And it can lead to claims of favouritism and prejudice in the workplace.
- Whilst developing employee skillsets and abilities is important, it's not enough to fuel your entire business.

## **7.9 HOW TO DETERMINE IF YOUR HUMAN CAPITAL MANAGEMENT IS WORKING?**

The main aim for the success of human capital management is to prioritise your staff. Your staff should stand as valuable members in your business. And they should be looked after, from their first day. Through effective management, you can increase long-term performance and business outcome. If your staff don't feel encouraged or supported in

the workplace, it will reflect through the results. Managers should push motivation and engagement through their own tasks, as well as through their managerial jobs. You need to allow your staff to develop themselves whilst they perform their everyday tasks. Provide useful resources for training, advisory groups, and any other means to build themselves as employees.

### **7.10 SUMMARY**

Human capital theory is about the idea of humans increasing their productivity and efficiency through a greater focus on education and training. Human capital is the study of human resources. It talks about the development of economic value from how we function as a society. We invest in the physical means of our business, like machinery or technology. This allows us to produce our stocks or products; and profit from it. So, we should invest in human capital the same way – through education and training.

Investing in human capital allows you to see growth - measured through your staff's abilities, values, and skillset. This will increase business productivity, and in time, revenue, and brand-name.

### **7.11 GLOSSARY**

- **Human capital theory:** It is a concept that views human beings as a form of capital that can be invested in through education, training, and other forms of learning to increase their productivity and value in the labour market.

### **7.12 SELF-CHECK QUESTIONS**

1. Define human capital theory.
2. Discuss the advantages of human capital theory.
3. Explain the types of human capital theory.

### **7.13 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 7.1
2. For answer refer to section 7.5

3. For answer refer to section 7.3

#### **7.14 TERMINAL QUESTIONS**

1. Discuss the concept of human capital theory and who invented the human capital theory?
2. Discuss the types of human capital theory and the history of human capital.
3. Discuss the advantages and disadvantages of human capital theory.
4. Discuss the criticism of human capital theory in detail.

#### **7.15 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 7.1, 7.2
2. For answer refer to section 7.3, 7.7
3. For answer refer to section 7.5, 7.6
4. For answer refer to section 7.8

## **CHAPTER-8**

### **SCREENING THEORY**

#### **STRUCTURE**

- 8.0 Learning Objectives
- 8.1 Introduction
- 8.2 Component of screening theory
- 8.3 Screening theory as an alternative to HCT
- 8.4 On-the-job screening
- 8.5 Human capital vs. Screening theory
- 8.6 Criticisms of screening theory
- 8.7 Summary
- 8.8 Glossary
- 8.9 Self-Check Questions
- 8.10 Answer To Self-Check Questions
- 8.11 Terminal questions
- 8.12 Answer to terminal questions

#### **8.0 LEARNING OBJECTIVES**

**After studying the lesson, you should be able to:-**

- Describe the concept of screening theory
- Discuss the components of screening theory
- Describe screening theory as an alternative to human capital theory
- Describe the criticisms of screening theory

#### **8.1 INTRODUCTION**

The critics of Human Capital Theory and the proponents of Screening Theory believe that education is necessary, but not a sufficient condition to contribute to individual productivity. They argue that specific skills required in a profession are acquired on the job rather than at school. Screening theory states that it is very hard to predict future performance of an individual on the basis of her or his education. The educational

qualification and diplomas are used as a screening mechanism. Schooling is an institution of trainability. But the real training starts on the job. The radicalists of Screening Theory went to the extent of saying that education merely reproduced social inequality from generation to generation. According to Bowles and Gintis , the main function of education for the masses is to teach them discipline, respect for authority, particularly obedience, the ability to cooperate and to concentrate. The radicalists believe that education prepares labourers for inferior-level task in a productive organization. The proponents of screening theory suggest that much of education in developing countries is irrelevant.

Three key element of screening theory are:

- Learning by doing;
- Screening; and
- Diploma inflation

## **8.2 COMPONENT OF SCREENING THEORY**

Screening theory is a framework for understanding how employers select and hire the best candidates for their jobs. Screening theory consists of four main components:

- **Job analysis:** This is the process of identifying the tasks, duties, responsibilities, and requirements of a specific job. Job analysis helps to define the criteria for evaluating candidates and designing effective recruitment and selection methods.
- **Signaling and screening devices:** These are the tools and techniques that employers use to gather information about candidates' abilities, skills, personality, and fit for the job. Examples of signaling and screening devices include resumes, cover letters, tests, interviews, references, and portfolios.
- **Adverse selection and moral hazard:** These are the problems that arise when there is asymmetric information between employers and candidates, meaning that one party has more or better information than the other. Adverse selection occurs when employers cannot observe the true quality of candidates and may end up hiring low-quality workers. Moral hazard occurs when hired workers have

incentives to behave differently than expected or desired by employers, such as shirking, cheating, or quitting.

- **Human capital theory:** This is the perspective that views employees as assets that can be developed and enhanced through education, training, and experience. Human capital theory suggests that employers should invest in their workers to increase their productivity, performance, and retention.

Screening theory is relevant to human resource management because it helps HR professionals to design and implement effective recruitment and selection strategies that align with the organization's goals and needs.

### **8.3 SCREENING THEORY AS AN ALTERNATIVE TO HCT**

Individuals may increase their productivity through investment in education and training activities, initially in schools and then continuing in the form of workplace learning. However, the potential productivity of a new hire is difficult to ascertain by those involved in the hiring process. Applicants may have augmented their potential productivity through schooling, but those enhancements may be unrecognizable to employers when individuals enter the labor market. Costs associated with defining and verifying employees' potential for performance can be a large expense for organizations (Bac 2000). If people are hired by an organization and they fail to meet expectations, human and fiscal resources are wasted by an ineffective hiring process. Screening theory was developed to ease the financial burden of making well-informed staffing decisions.

The formulation of screening theory Screening theory, as an alternative to HCT, argues that a heuristically superior explanation must be able to accommodate the unique institutional characteristics of the labor market. Thus screening theory contends that schooling may have the same apparent effect on earnings, either because the productivity linkage is a valid one, or because it is the instrument through which the effect of some other background variables are transmitted, such as family background, or because it masks an intervening variable other than productivity (Sobel 1982). This contention provides the underlying basis for screening theory.

Building on the analysis of limitations of HCT's theoretical base, Spence (1973a) and Arrow (1973) independently and simultaneously formalized the hypothesis that education served as a credentialing process which signaled high innate productivity to organizations. From organizations' perspectives, screening theory, similar to HCT, considers hiring as an uncertain investment. Organizations are not sure of the productive capabilities of a potential employee at the time of hiring, among other information asymmetries. Nor will this information become available immediately after hiring. The job may take time to learn, and often on-the-job specific training is required. To an extreme, Spence (1973a) compares the organizational process of hiring an employee to buying a lottery ticket. In formulating screening theory, Arrow (1973: 194) proposed the following extreme assumptions:

- Higher education contributes in no way to superior economic performance; it increases neither cognition nor socialization. Instead, higher education serves as a screening device, in that it sorts out individuals of differing abilities, thereby conveying information to the purchasers of labor

Accordingly, the theory considers the filtering role of education as a value-added one that conveys much needed information by the economic agents in the markets. Productivity and ability of a potential employee cannot be accurately determined, but diplomas are easy to decipher, and such information can be obtained easily by organizations at minimal cost. In the screening model, education is assumed to act as a filter, with successful completion of education signaling higher levels of innate ability. The signaling model has been applied to other economic phenomena from advertising (Nelson, 1974) to financial structure (Ross 1977), social phenomena from courtship (Spence 1973b) to gift exchange (Camerer 1988). Nevertheless, screening theory is often contrasted with HCT with respect to education and training related investments.

Although the terms "screening, filtering, and signaling" that are associated with screening theory are often used interchangeably, each has a distinctive connotation in the economic literature. Potential employees use education to "signal" their productivity to employers. Employers "screen" and "filter" out potential employees who possess a minimum level of training and education credentials (Weiss 1995).

Empirical studies comparing educational credentialing to the “sheepskin effect” (e.g. Belman and Heywood 1991, Wang and Holton 2005) have found that the diploma had value apart from the accumulated years of education. Findings indicated that diplomas serve as a proxy for productivity and may play a role in increasing productivity (Hugerford and Solon 1987).

In testing screening theory, Miller and Volker (1984) hypothesized that if returns were strictly related to productivity according to HCT, graduates who took jobs in their own major should be paid more than those who took jobs in an unrelated field of study. Their investigation found no difference in the starting salaries of economics graduates and persons graduating with non-economics majors in jobs related to economics. The same study also examined science majors versus non-science majors in science related jobs and obtained similar results. Diploma-based sheepskin effects attenuate over time with increased years of workforce experience because additional work experience allows more direct observation of individual productivity (Belman and Heywood 1997).

#### **8.4 ON-THE-JOB SCREENING**

In addition to the education screening process, other economic studies have investigated a second layer of the screening process, on-the-job screening (Bac 2000, Pinoli 2008). On-the-job screening is based on the following rationale. After the initial screening based on educational credentials, information about an employee’s productivity and performance will be gradually revealed to the organization during an employee’s work life. This information is not known to the employer at the time of hiring, but it eventually emerges and the employer becomes better informed about the employee’s productivity and performance. On-the-job screening involves using systemic processes to collect multiple sources of data about employees, and employers are then able to make data-based decisions about the organization’s human capital.

Employers use a variety of performance appraisal tools and techniques to make judgments about past, present and future job performances of employees. And, these judgments are directly related to decisions about current and future pay for these workers. Some of these tools are used to screen out employees whose performances do not meet organizationally defined performance indicators. Decisions are made as early as possible

so that investments in underperforming employees are kept to a minimum, and investments are maximized in higher producing employees in order to develop desired human capital for the organization. Some organizations adopted a forced-ranking strategy to sort out high performers from other performers, although the effects of this strategy are controversial (Gary 2001). Organizations may face a trade-off in pursuing these strategies. The efficiency of on-the-job screening may be sacrificed because of the employer's need to invest in a specific human capital area (specific types of workers or job classifications). Or, alternatively, when the organization has an effective training system, organizations may have to sacrifice employee performance during the on-the-job screening process (Bac, 2000).

### 8.5 HUMAN CAPITAL vs. SCREENING THEORY

	<b>Human Capital Theory</b>	<b>Screening Theory</b>
School of Economic Thought	Neoclassical Theory	Institutional Economics
Theorist	Schultz, Becker	Spence, Arrow, Stiglitz,
Explanation	Accumulation of surplus (education) is valuable to the laborer	Addresses the selection needs of organizations
Capital	Educational Investment in technical skills and knowledge will increase production and yield higher wages	Education is a screen to signal potential employers of an individuals production capabilities and market forces determine wages
Market Structure	Operates under the assumption of perfect completion assuming low	Operates under the assumption there are barriers/expenses

	barrier/expenses to enter and exit the market	associated with market entry (information) and exit (turnover)
Level of Analysis	Individual	Individual/Organizational
Similarities	Education and training add value to organizations and the present cost are outweighed by future earnings and increased production	

**8.6 CRITICISMS OF SCREENING THEORY**

Some of the criticisms of screening theory are as follows:

- The screening theory proposition that higher education does not adequately contribute to higher earning is not always correct. According to Wolpin, it is hard to explain why self employed people with a higher education usually have higher earnings than self employed people with less education.
- Screening, the real function of education, is somehow parochial and education really vitalizes one’s ability to qualify for the test function of education is much more than screening.
- Szirmai remarked that the correlation between education and income persists throughout people’s workings life. The argument given by the proponents of Screening theory is that education boosts initial earnings, which is not always true.

**8.7 SUMMARY**

Screening theory states that it is very hard to predict future performance of an individual on the basis of her or his education. The educational qualification and diplomas are used as a screening mechanism. Schooling is an institution of trainability. But the real training starts on the job. The radicalists of Screening Theory went to the extent of saying that education merely reproduced social inequality from generation to generation. According to Bowles and Gintis , the main function of education for the masses is to teach them

discipline, respect for authority, particularly obedience, the ability to cooperate and to concentrate. The radicalists believe that education prepares labourers for inferior-level task in a productive organization.

## 8.8 GLOSSARY

- **Screening Theory:** Screening theory states that it is very hard to predict future performance of an individual on the basis of her or his education. The educational qualification and diplomas are used as a screening mechanism.
- **Job analysis:** This is the process of identifying the tasks, duties, responsibilities, and requirements of a specific job. Job analysis helps to define the criteria for evaluating candidates and designing effective recruitment and selection methods.
- **Human capital theory:** This is the perspective that views employees as assets that can be developed and enhanced through education, training, and experience. Human capital theory suggests that employers should invest in their workers to increase their productivity, performance, and retention.

## 8.9 SELF-CHECK QUESTIONS

1. What do you mean by screening theory?
2. Discuss the components of screening theory.
3. Discuss the difference between screening theory and human capital theory.

## 8.10 ANSWER TO SELF-CHECK QUESTIONS

1. For answer refer to section 8.1
2. For answer refer to section 8.2
3. For answer refer to section 8.5

## 8.11 TERMINAL QUESTIONS

1. Define screening theory. Explain the components of screening theory.
2. Explain the concept of screening theory as an alternative to human capital theory.

3. Explain the criticisms of screening theory.

### **8.12 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 8.1, 8.2

2. For answer refer to section 8.3

3. For answer refer to section 8.6

## CHAPTER-9

### HUMAN RESOURCE DEVELOPMENT PROCESS

#### STRUCTURE

- 9.0 Learning Objectives
- 9.1 Introduction
- 9.2 The concept of human resource development
- 9.3 Human resource development process
- 9.4 Need of human resource development
- 9.5 Summary
- 9.6 Glossary
- 9.7 Self-Check Questions
- 9.8 Answer To Self-Check Questions
- 9.9 Terminal questions
- 9.10 Answer to terminal questions

#### 9.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of human resource development
- Discuss the process of human resource development
- Describe the need of human resource development

#### 9.1 INTRODUCTION

Human resource progression is continuous and dynamic in nature. All the generations of the work force whether millennial, gen Z or Gen next the development index in human competencies, attitudes, knowledge, skill and speed of learning to adopt disruptive technology, are the parameters of organizational success. The year 2020 has started with buzzing great resignation drive the reasons of which according to Deloitte 2022 workforce and increment trends phase one report suggests that out of major reasons, 15% is attributed to unhealthy work life balance and 10% is due to pay cuts and no or low increments ; this is an alarming call to check that many employees have started seeking

passion in profession and unless organizations are willing to strengthen the HRD Processes, the fall out shall be huge as there are ample opportunities for start-up and gig economy options to multi-level engagements in expert areas. In the words of one of the founding fathers of HRD movement in India Dr. T V Rao, HRD has to be perpetually striving to improve and sharpen the human capabilities for present and future needs and continuously encouraging optimizing potential progressively. He clearly indicates that the organization policies, culture and processes must be a cultivating ground for immense power of “human is a possibility” (2017). ‘Refining human as possibility has made a huge paradigm shift from considering human as a mere resource’ are the words of renowned spiritual and management guru Jaggi Vasudev speaking in leadership development program on inner engineering. The organizations of today have immense challenge in managing the human expectations along with stakeholders’ expectations and continuing the growth to higher charts of profitability and returns on investment. The role of HR has risen from mere a service or advisory function to a pivot of business partnership and strategic leadership as a driving force for success. In the back drop of many developments, the human resource development process has the onus of defining the direction of not only the human potential optimization but also to give organization a winning edge.

## **9.2 THE CONCEPT OF HUMAN RESOURCE DEVELOPMENT**

In organizations, human resource development is a never-ending process. Depending on the necessity, nature, and size of the business, the type of work done or efforts made to develop human resources may differ. It is also looking into the kind of change the organization is going through or the nature of skills the organization wishes to build inside it on a regular basis in the same organization. In order to improve staff competences, the business devises a variety of interventions. When these processes are implemented in the workplace, it results in more competent, contented, and devoted employees who will help the company expand by offering their best efforts. The efficiency of an organization is influenced by a variety of factors such as the environment, technology, and rivals. However, if all other factors are equal, an organization with competent, satisfied, dedicated, and dynamic employees is more likely to succeed than one with poor scores

on these HRD outcome characteristics. In the same way, an organization with a superior HRD climate and practices is more likely to be effective than one that does not. This is due to the fact that a number of HRD processes working simultaneously in an organization should generally result in HRD outcomes.

### **9.3 HUMAN RESOURCE DEVELOPMENT PROCESS**

**1. Role Clarity:** The degree to which employees understand their targets, tasks responsibilities, accountability, processes, expectations etc. at work is referred to as role clarity. This clarity applies not only to their own function, but also to the roles of their co-workers and its mutual interdependence. Clarity is a prerequisite for productivity, and a lack of it can lead to stress and confusion. Role clarity is critical for reducing negative sentiments and improving personal effectiveness as well as the organization's overall performance. Employees with clear roles are 53 percent more efficient and 27 percent more effective at work than those with ambiguous roles. According to our findings, total work performance improves by 25%. (Pijnacker, 2019). However, having a clear grasp of roles has an impact on more than just performance. It also builds trust among co-workers and raises the likelihood of an employee staying with your company for a longer period of time. To top it off, 75 percent of employees with strong role clarity are much more enthusiastic about their work and have higher job satisfaction than others.

**2. Awareness of Competencies Required for Job Performance:** Competencies can be a set of observable and measurable knowledge, skills, abilities, as well as personal characteristics that leads to improved employee performance and, in turn, organisational success. It is necessary to define the various components of skills in order to comprehend them. It is critical to remember the following when applying competencies:

Competencies are utilised to raise the bar on employee performance rather than establishing baseline performance levels. They give employees step-by-step instructions on how to improve their abilities. They are concerned with the culture and values of a company. Competencies are connected to short- and long-term aims and goals, reflecting the organization's strategy. It concentrates on the process of achieving milestones rather than the ultimate product itself. They fill the gap between performance management and

employee development in this way, and they're an important part of personal development plans as well as it fills in the gaps in an organization's skill set.

**3. Proactive Orientation:** Even in a new setting, proactive orientation entails anticipating, taking action, and maintaining control. Organizations that are proactive plan for and anticipate change. They like it and often instigate it because it allows them to outperform their opponents. The majority of the disruptors in today's corporate landscape are bold, proactive firms. The measures of the term Proactive are taking initiative, planning ahead of time, and taking preventive action. In terms of planning, organisations must be proactive. They need to be prepared for the future. Anticipating issues in advance to take advantage of this undertaking conflict or responding to future requirements, in effect creating the future, is what pro-action entails. RESULTS: Actions are taken and plans are made in response to immediate issues.

**4. Trust:** At its most basic level, organisational trust is your employees' belief in your company's conduct. This can include trust in management or individual team members, but it also includes organisational aspects such as:

- The company's goal
- The vision, mission and nature of thought leadership
- The ideology and culture of the company
- Autonomy and tolerance
- Avenues for growth
- Legal compliances
- Diversity, inclusion, and equality in the workplace
- Processes, ethics and fairness, equity and justice

**5. Collaboration and Team Work:** Teamwork and collaboration, when combined, can build a healthy work culture and atmosphere in which employees can work together to achieve goals using powerful skills and successful work. Collaborative teamwork can boost innovation, job happiness, problem-solving abilities, and the development of

superior soft skills. In this post, we'll look at what teamwork and collaboration are, how they differ from collaborative teamwork, how to increase teamwork and collaboration, and the advantages of doing both. Working with one or more individuals with various skill sets to accomplish anything, such as finishing a project, developing a common concept, or completing a task, is referred to as collaboration. Collaboration in the workplace refers to colleagues with different areas of expertise working together on a common aim to achieve a goal or produce results. Collaboration in the workplace is a set of taught abilities that can boost productivity, solve problems, promote good relationships, and foster cooperation.

**6. Authenticity:** Authenticity has been identified as a significant asset for professional and personal success. The growing body of research on authenticity has discovered a slew of advantages, including improved well-being and life satisfaction. Authenticity, in other words, "feels wonderful." As a result, many companies urge employees to bring their whole selves to work in order to boost productivity, creativity, and effectiveness. A recent study showed that 72% of people said they are authentic at work and a full 75% that they wanted the coworkers to be authentic and display their true selves. However, a small subset of employees (10%) was skeptical. They believed that showing who they really are could be detrimental and make the workplace environment worse. (Guillén, 2021)

**7. Openness:** Openness is crucial because it speaks to what people want and expect from an organisation if they are to experience a feeling of ownership and emotional attachment. Openness entails providing information so that employees are aware of what is going on and, more importantly, feel heard. But it also involves being open to diverse ways of working different methods, different viewpoints, and, most importantly, feedback and expecting it. It denotes a willingness to adapt to new situations. Leaders are successful when people follow them when employees have the information, they need to execute their jobs and a clear sense of where the organisation is headed and when people have a feeling of pride in and ownership over an issue or team, whether in business, politics, or entertainment(Openness at Work, 2018).

**8. Risk-taking:** Throughout the day, managers are faced with making decisions. Some decisions are simple and straightforward, while others are complex and hazardous. Some people enjoy taking risks, while others prefer stability and avoid taking any risks at all. A risk taker is someone who puts everything on the line in the hopes of succeeding, or who accepts a higher chance of losing money in their decisions and tolerates uncertainty. Taking chances entails putting your and your employees' best qualities to work for your company's growth. You must design a cultural formula that everyone must follow, according to your vision. Break down your company's sections and construct risk-taking lines when it comes to difficult decisions and leaps of faith. Because this is a continuous process, you may need to change it on a case-by-case and person-by-person basis. For example, a firm has a risk-taking culture when its employees are aware of the risks involved in each circumstance and take measured chances. They may reap the benefits of taking risks in business if they regularly make right decisions and represent the risk-taking culture you have fostered in them over time.(The Truth About Taking Risks: 7 Advantages Of Risk-Taking In A Business, 2017)

**9. Value Generation:** Putting people first is one of the main success criteria of high-performing organisations. HR professionals nowadays are faced with the task of developing efficient and effective, simple yet strong solutions for the human side of the business. However, determining the specific contribution of the HR function in achieving these goals remains difficult. The first step in developing an effective HR strategy is to define value and comprehend how it is created in the business. This necessitates a thorough awareness of the whole business environment as well as the organization's overarching business plan. Once a strategic direction has been established, the organization's HR policies, programmes, and practises must be reviewed to ensure that they are in line with the HR strategy. Converting HR strategies and initiatives into measurable business value necessitates the use of the right delivery method, a solid foundation of HR capabilities and infrastructure, and the establishment of business-driven performance measures to track whether the expected outcomes are being achieved (Creating value through HR).

**10. Clarification of Norms and Standards:** Norms are the established rules of conduct determined by culture. Norms are standards, and beliefs that help to maintain social order, guide individuals, and determine what is proper and wrong, as well as what is positive and negative. For optimal team performance, it's necessary to define responsibilities and objectives. If you're a team leader, don't expect people to follow you unless you make it clear what you expect from them. The communication of plans, policies, and role expectations is known as clarifying. Clarifying behaviour has the goal of guiding and coordinating work activity and ensuring that everyone knows what to do and how to perform it. Each subordinate must understand what duties, functions, and activities are required in the position and what results are expected in order for the team to perform well. Even a highly talented and motivated subordinate may struggle to reach high levels of performance if they are unclear about their roles and priorities.

**11. Better Communication:** Any organization's administration requires effective communication. Whether the goal is to inform employees about new policies, prepare for a weather disaster, maintain organisational safety, or listen to employee attitudes, good communication is a critical component of efficient management. Organizations must have complete policies and methods for communicating with their constituents, employees, and stakeholders, as well as the general public, in order to be successful. The majority of HR experts and company leaders feel that aligning corporate communication with business strategy is critical for efficient and consistent operations. Organizations may guarantee that they: Communicate consistent messages using a structured and thorough communication strategy.

**12. Fair Rewards:** The perceived fairness (or lack thereof) of employee awards is frequently at the base of why people leave firms. The concept of fairness also impacts whether or not an individual will go above and above to meet company goals or even his or her own employment ambitions. As a result, it's critical for businesses to ensure that their employee benefits are based on fairness principles. Employee perceptions of fairness and equitable treatment, according to research, are a key driver of retention, engagement, and performance. Unfair treatment is, in fact, destructive. Even the perception of unfair treatment can have disastrous consequences for a company since it:

- Creates an atmosphere of suspicion and hatred.
- Erodes' performance and personnel dedication to the company
- Increases the amount of time spent doing things that aren't productive.
- Reduces employee motivation to support one another; increases unionisation; and increases voluntary turnover and absenteeism.

#### **9.4 NEED OF HUMAN RESOURCE DEVELOPMENT**

The part of human resource management that specifically deals with training and development of the employees. Human resource development includes training an individual after he/she is first hired, providing opportunities to learn new skills, distributing resources that are beneficial for the employee's tasks, and any other developmental activities.'

Furthermore, HRD includes such opportunities as:

- employee training
- employee career development
- performance management and development
- coaching
- mentoring
- succession planning
- key employee identification
- tuition assistance
- organisation development

People need competencies (knowledge, attitudes, values and skills) to perform tasks. Higher degree and quality of performance of tasks requires higher level of degree of skills. Without continuous development of competencies in people, an organisation is not likely to achieve its goals. Any organisation that is interested in improving its services and its effectiveness needs to develop its employee competencies to perform the tasks required to bring about such improvements

The HRD is required for:

- Growth of organisation.
- Diversification in an organisation
- Renewing itself to become more effective
- Improving the systems and services of an organisation
- Change and becoming more dynamic
- Playing leadership roles

## 9.5 SUMMARY

Human resource development is a never-ending process. Depending on the necessity, nature, and size of the business, the type of work done or efforts made to develop human resources may differ. It is also looking into the kind of change the organization is going through or the nature of skills the organization wishes to build inside it on a regular basis in the same organization. In order to improve staff competences, the business devises a variety of interventions. When these processes are implemented in the workplace, it results in more competent, contented, and devoted employees who will help the company expand by offering their best efforts. The efficiency of an organization is influenced by a variety of factors such as the environment, technology, and rivals. However, if all other factors are equal, an organization with competent, satisfied, dedicated, and dynamic employees is more likely to succeed than one with poor scores on these HRD outcome characteristics. In the same way, an organization with a superior HRD climate and practices is more likely to be effective than one that does not. This is due to the fact that a number of HRD processes working simultaneously in an organization should generally result in HRD outcomes.

## 9.6 GLOSSARY

- **Human resource development:** Depending on the necessity, nature, and size of the business, the type of work done or efforts made to develop human resources may differ. It is also looking into the kind of change the organization is going through or the nature of skills the organization wishes to build inside it on a regular basis in the same organization.

### **9.7 SELF-CHECK QUESTIONS**

1. What do you mean by Human resource development?
2. Discuss the need of human resource development.

### **9.8 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 9.1, 9.2
2. For answer refer to section 9.4

### **9.9 TERMINAL QUESTIONS**

1. Define Human resource development. Explain the need of human resource development.
2. Explain the process of human resource development.

### **9.10 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 9.1, 9.2, and 9.4
2. For answer refer to section 9.3

## **CHAPTER-10**

### **HRD PROGRAMME**

#### **STRUCTURE**

- 10.0** Learning Objectives
- 10.1** Introduction
- 10.2** The different phases or critical success factors of hrd program
- 10.3** Implementing of hrd program
- 10.4** Evolution of hrd program
- 10.5** Steps in the process of evaluation
- 10.6** Benefits of hrd program
- 10.7** Beliefs are essential for the success of any hrd programme
- 10.8** Responsible for hrd program
- 10.9** Summary
- 10.10** Glossary
- 10.11** Self-Check Questions
- 10.12** Answer To Self-Check Questions
- 10.13** Terminal questions
- 10.14** Answer to terminal questions

#### **10.0 LEARNING OBJECTIVES**

**After studying the lesson, you should be able to:-**

- Describe the concept of HRD program
- Discuss the different phases or critical success factors of hrd program
- Describe the implementing of hrd program
- Discuss the evolution of hrd program
- Describe the steps in the process of evaluation
- Discuss the benefits of hrd program
- Describe the essential for the success of any hrd programme

## **10.1 INTRODUCTION**

When HRD Programs have to be made, it has to be based on the current and future HRD requirements. The work of the human resource development practitioner is continuously evolving. Human resource development is now expected to make a strategic level contribution and contribute to individual and organizational effectiveness. Human resource development practitioners are increasingly required to network and build relationships to obtain support, resources, information, and knowledge. The benefits of HRD Program are many. The systematic and well-designed HRD Program can contribute to the organizational performance.

## **10.2 THE DIFFERENT PHASES OR CRITICAL SUCCESS FACTORS OF HRD PROGRAM**

1. Phase I – Assessment Phase – In this phase the needs are prioritized according to thy contribution to the overall Organizational Strategy.
2. Phase II – Design Phase – The specific objectives are defined in this phase. The Lesson plan is made, trainer is selected and accordingly the methods, techniques and materials. Finally the schedule of the Program is made.
3. Phase III – Implementation Phase – The most crucial phase of all deals with delivering of the Program as a strategic intervention.
4. Phase IV – Evaluation Phase – The evaluation criteria are selected on the basis of which the success of the program is assessed. The results are interpreted and form the basis of other HRD programs.

The issue of development has always been important. In recent years, however, the process of development is more important than ever in order for organizations to cope with accelerating change which affects existent HR needs.

**According to Kenney and Reid (1994), the most widespread methods of diagnosis of organizational development needs are the following:**

- i. Evaluation of HR skills and performance by Audit team.
- ii. Analysis of work to identify and get insights into the areas in which employees need training must be identified.
- iii. Analysis of skills set to identify the differences between new and experienced employees, in relation to their effectiveness.
- iv. Changes in the organization and work design like the creation of new job process and the abolition of old processes or the integration of processes.
- v. Analysis of available information from departmental records like personnel statistics, accident records, training reports, and staff appraisal forms.
- vi. What other organizations in the industry are doing.

The above checklist helps an organization ascertain the developmental needs and accordingly design their HRD programs which can then be implemented.

### **10.3 IMPLEMENTING OF HRD PROGRAM**

The work of the human resource development practitioner is continuously evolving. Human resource development is now expected to make a strategic level contribution and contribute to individual and organizational effectiveness. Human resource development practitioners are increasingly required to network and build relationships to obtain support, resources, information, and knowledge.

The accumulation of social capital is considered important in determining individual career success and role performance. Given the importance attached to this dimension of HRD practitioners' roles, it is important to implement the HRD programs cautiously. According to Pedler, Boydell and Burgoyne (1989), learning organization

is “an organization which facilitates the learning of all its members and continually transforms itself”.

Therefore the implementation method has to be in line with the philosophy of good training which is it Improves performance, Improves productivity, Improves chances for promotion and improves the bottom line. For this right training methods need to be used in the right way to ensure successful HRD implementation.

Since the real organizational needs are known, the process of training can begin. Exclusive of the training techniques, the trainees and the trainers constitute other key elements of a training program. However there are certain delusions which should be done away with.

These misconceptions include the best way to learn any new skill is to learn it on the job, Lectures are not a good method for training, it's easy to come up with stimulating discussion questions, and that the Case studies are used for time fillers. The method of training should be keeping in mind the objective of the Program.

The selection of trainees is a very important activity in order for an organization to achieve desirable training results. According to Peel (1994), the elements of trainees which have to be taken into consideration in order for the selection of appropriate training methods are the following –

1. The number of trainees.
2. Demographics like age, the level of education, qualifications and experience.
3. Reasons why they are chosen for development and what are their needs.

It should be remembered that what needs to be learned cannot always be taught. Human resource development programs must therefore help people to learn from their experience. Development cannot be left to chance.

**Effective implementation depends on three main elements:**

1. The degree to which the training adds to productive output meets the standards of quantity, quality, and timeliness of the people who receive, review, and/or use the HRD Programs.
2. The degree to which the HRD process of carried out the work enhances the capability of members to work together interdependently in the future.
3. The degree to which the group experience contributes to the growth of the trainees and eventually the Organizations.

This is the most crucial of all phases since it is directly related to the output of the Program. It is the real show that takes place on an actual level, a point when the developers/trainers and trainee are in direct contact. The success depends on the extent to which trainees experience meaningfulness of the developmental exercise, active responsibility for the exercise and its outcomes and knowledge of actual benefits of the training.

#### **10.4 EVOLUTION OF HRD PROGRAM**

HRD evaluation is defined as – “The methodical collection of vivid and judgmental information necessary to make effective training decisions related to the selection, implementation, value, and modification of various developmental, activities.”

##### **The important points highlighted in this definition are:**

1. Evaluation involves the methodical collection of information according to a predetermined plan to ensure that the information is appropriate and useful.
2. While conducting an HRD evaluation, both descriptive and judgmental information should be collected.
3. Evaluation is conducted to help managers, employees and HRD professionals make informed decisions about particular programs and methods.

Evaluation of HRD Program can serve a number of purposes within the organization.

**According to Phillips, evaluation can help to do the following:**

1. Establish whether a program is accomplishing its objectives as proposed.
2. Identify the strengths and weaknesses of HRD programs.
3. Conclude the cost-benefit ratio of an HRD program.
4. Decide the number and nature of participants who benefited the most or least from the program.
5. Emphasize major points to be made to the participants.
6. Gather data to assist in designing future programs.
7. Determine the appropriateness of the program.
8. Better and more informed decision making in future relating to design of HRD programs.

There are other reasons for conducting HRD evaluation as well. Evaluation can build credibility with top managers and others in the organization. If HRD staff cannot substantiate its contribution to the organization, its funding and program may be revised during the budgeting process. Thus, evaluation is a critical step in the HRD process. It is the only way one can know whether an HRD program has fulfilled its objectives. HRD evaluation outlines the criteria for and focuses on the evaluation effort.

**10.5 STEPS IN THE PROCESS OF EVALUATION ARE**

**1. Data Collection for HRD Evaluation:**

The first step of an evaluation effort requires the collection of data to providing the decision makers with facts and judgments upon which they can base their decisions

is vital. Three important aspects of providing information for HRD Evaluation include data collection methods, types of data, and the use of report.

## **2. Research Design:**

Research design is significant to HRD evaluation as it specifies the expected results of the evaluation, the methods of data collection, and the method of data analysis.

## **3. Ethical Issues Concerning Evaluation:**

Many of the decisions supervisors and HRD professionals make when conducting HRD evaluations have ethical dimensions. Actions such as – assigning participants to training and Control groups, reporting results, and the actual conduct of the evaluation study itself all raise ethical questions like that of confidentiality and biasness. Some evaluation research project involves asking participants questions about their or others' job performance.

The results of these inquiries may be embarrassing or lead to adverse treatment by others if they are made public. Also supervisors dislike being rated by their subordinates on performance aspects and rater's bias can creep in. Halo effect, recency effect are other potential biases that can creep in.

Evaluation studies should be monitored by a review board to ensure that participants are aware that they are participating in a study and know its purpose, what they will be expected to do, and the potential risks and benefits of participating. In some cases, an investigator may feel that the study will yield better results if employees don't realize they are in an evaluation study, or if they are given some false or misleading information during the study.

HRD professionals and their managers may feel pressurized to make sure that the results of their evaluation reveal that the program was effective. This may be one reason why meticulous evaluation of HRD programs is not done more often. The HRD people are the ones who design and develop, implement, and evaluate the program,

if the evaluation shows the program was ineffective the HRD department may lose financial support and have their activities curtailed.

Although the possibility exists for “deception” in the form of doctoring results, reporting partial results, or setting up biased studies, it is unclear how often this occurs in HRD evaluation. But it is imperative on the part of Management to be cautious while evaluating the HRD Programs.

One of the most tenuous and unsatisfactory aspects of training programs is the evaluation of their effectiveness. Evaluation is any attempt to obtain feedback on the effects of a training program and to assess the value of the training in the light of information thus collected. Evaluation leads to decision making and control which means deciding whether or not the training was worth the effort and what improvements are required to make it even more effective.

**According to Hamblin, there are five levels at which evaluation can take place:**

1. Reactions of trainees to the training experience itself.
2. Learning evaluation requires the measurement of what trainees have learned as a result of their training.
3. Job behavior evaluation is concerned with measuring the extent to which trainees have applied their learning on the job.
4. Organizational unit evaluation endeavors to measure the effect of changes in the job behavior of trainees on the functioning of the part of the organization in which they are employed.
5. Ultimate value evaluation aims to measure how the organization as a whole has benefited from the training in terms of greater profitability, survival or growth.

There are many models to measure training effectiveness. The most popular and influential framework for training evaluation was articulated by Kirkpatrick.

**Kirkpatrick argues that training efforts can be evaluated according to four criteria:**

1. Reaction,
2. Learning,
3. Job behaviour, and
4. Results.

**The four levels are:**

**1. Level 1 – Reaction to Training Program:**

Did the trainees like the program and feel it was useful? At this level, the focus is on the trainees' perceptions about the program and its effectiveness. Positive reactions to a training program may make it easier to encourage employees to attend future programs. The main limitation of evaluating HRD programs at the reaction level is that this information cannot indicate whether the program met its objective beyond ensuring participant satisfaction.

**2. Level 2 – Learning:**

Did the trainees learn what the HRD objectives said they should learn? This is an important criterion; one many in the organization would expect an effective HRD program to satisfy.

**3. Level 3 – Job Behavior:**

Does the trainee use what was learned in training back on the job? If learning does not get transferred to the job, the training effort cannot have an impact on the employee's or organization's effectiveness. Measuring whether training has

transferred to the job requires observation of the trainees on-the-job behavior and comparing it with past performance errors.

#### **4. Level 4 – Results:**

Has the training or HRD effort improved the organization's effectiveness? Is the organization more efficient, more profitable as a result of the training program? Meeting this criterion is considered to be the most challenging level to evaluate, given the limitations of employee performance, how training has had an effect on the bottom line is important to know. Typically at this level, economic and operating data are collected and analyzed.

Kirkpatrick's framework provides a useful way of looking at the possible consequences of training and recapitulates that HRD efforts often have multiple objectives. Each succeeding level incorporates the one prior to it, finally terminating in what is considered to be the ultimate contribution of any organizational activity that is improving the organizations effectiveness. However Kirkpatrick's approach has its limitations too. The framework evaluates only what happens after training, as opposed to the entire training process.

Several authors have suggested modifications to Kirkpatrick's four-level approach to offset its flaws. They have suggested expansion of the reaction level to include assessing the participants' reaction to the training methods and efficiency and splitting the reaction level to include assessing participants' perceptions of enjoyment, utility, and the difficulty of the program. Further the researchers propose addition of a fifth level to address the societal contribution and outcomes created by an HRD program and to specifically address the organizations return on investment.

Another Model for evaluation of training is the Brinkerhoff's Model which extends the training evaluation model to six stages questioning the rationale, process and benefits of having an HRD Program –

1. Goal Setting – What is the need for HRD Program?

2. Program Design – What will work to meet the need?
3. Program Implementation – Is the HRD Program working, with the focus on the implementation of the program?
4. Immediate Outcomes – What did the participants learn?
5. Intermediate Outcomes – Are the participants using what they learned?
6. Impacts and Worth – Did it make a worthwhile difference to the organizations performance?

**Bushnell suggests a model based on a systems view of the HRD function – input -throughput-output containing four stages:**

1. Input – What goes into the training effort? This consists of performance indications such as – trainee qualification and trainer ability.
2. Process – The planning, design, development, and implementation of the HRD program.
3. Output – Trainee reactions, knowledge or skills gained, and improved job behavior.
4. Outcome – Effects on the organization, including profits, productivity and customer satisfaction.

The evaluation measurement should be done to ensure that the program is well designed and meets its objectives. In its simplest form, evaluation should address the question of whether the training program achieved its objectives. Basing training objectives on needs assessment information, and then evaluating those objectives, is the most economical way of summarizing what training evaluation efforts can focus on.

## **10.6 BENEFITS OF HRD PROGRAM**

The benefits of HRD Program are many. The systematic and well-designed HRD Program can contribute to the organizational performance.

**There should be a checklist of benefits:**

1. Training results must be measured against costs.
2. Training must contribute to the “bottom line”.
3. HRD must justify itself repeatedly as a revenue enhancer.

As for the future HRD implementation at enterprise level, comprehensive training programs should be developed by individual companies in order to cope with both external and internal challenges. This requires that not only training basic knowledge and skills, but also other programs such as – improving special skills, response to the technology changes, business and economic literacy, handling market competition and globalization, and specific competencies among the workforce.

The training should be carefully made as per the requirements of the employees. Both Formal and informal methods can be employed according to the requirements. Self-directed learning should be also encouraged among employees. A learning environment and culture should be created in which people choose other forms of learning outside routine HRD Programs for purpose of developing confidence and competence as capable human beings.

These developments require organizations to provide a long-term support. The fact that the training that gets transferred gets rewarded should be made the catch line of any HRD Program.

## **10.7 BELIEFS ARE ESSENTIAL FOR THE SUCCESS OF ANY HRD PROGRAMME**

Following beliefs are essential for the success of any HRD programme:

- i. Human beings are the most important assets in the organisation.
- ii. Human beings can be developed to an unlimited extent.
- iii. Employees feel committed to their work and the organisation if the organisation develops a feeling of 'belonging' in them.
- iv. Employees are likely to have a feeling of 'belonging' in them if the organisation adequately cares for the satisfaction of their basic and high-order needs.
- v. Employees' commitment to their work increases when they get opportunity to discover and use their full potential.
- vi. It is every manager's responsibility to ensure the development and utilisation of the capabilities of his subordinates, to create a healthy and motivating work climate, and to set examples for subordinates to follow.
- vii. The higher the level of a manager the more attention he should pay to the HRD function in order to ensure its effectiveness.
- viii. A healthy and motivating climate is one, which is characterised by openness, enthusiasm, trust, mutuality and collaboration.

Guided in its HRD programme by the philosophy and ideas of its founder Jamshedji Tata, the Tata Iron and Steel Co. is one example of an ideal HRD philosophy.

**It believes that it can effectively discharge its obligations towards its employees only:**

- i. By a realistic and generous understanding and acceptance of their needs and rights and enlightened awareness of the social responsibility of industry;

ii. By providing adequate wages, good working conditions, job security, an effective machinery for speedy redressal of grievances, and suitable opportunities for promotion and self-development;

iii. By promoting feelings of trust and loyalty through a humane and purposeful awareness of their needs and aspirations; and

iv. By creating a sense of belonging and team-spirit through their close association with management at various levels.

Another excellent example of a company's HRD philosophy is provided by the well-known Indian Tobacco Co. This company has, from its original business of cigarettes and tobacco, diversified into several new areas such as cottage sector products, edible oils and oilseeds. The group employs over 15,000 people. Following is the company's statement on its HRD philosophy.

### **10.8 RESPONSIBLE FOR HRD PROGRAM**

- Strategic management involves decision making aimed at providing futuristic direction to an enterprise and therefore has a range of social implications as well apart from the economic results it is aimed at achieving. HRD responsibility emphasizes the consideration of the social criteria along with the familiar economic criteria in the development of corporate strategy.
- An enterprise survives in the business because of the employees and thus has a responsibility towards the employees as well. All the decisions that an organization takes has a social side to it and therefore must be given appropriate consideration from this standpoint. The doctrine of employee development is the central guiding factor for an enterprise when it takes decisions with regards to the social aspect.
- The great expansion in the scope and domain of enterprises has amplified manifold the importance of the concept of employee development. There is a

trend towards growing awareness because of increase in education and communication between the organizations and the public at large. It is because of this reason that companies now a day want to behave in a socially responsible manner as any glitch is very evident and has serious ramifications due to better populace awareness.

- In this competitive world being loyal to the society is a matter of survival as public opinion is important and there are legislations and government policies which protect the consumers and hold the ultimate power. The best way in which this can be achieved is by having proper employee development programs.
- Employee responsibilities can be defined as the businessman's decisions and actions taken to reasons, at least partially, beyond the firm's direct economic or technical interest for the welfare of the workforce. And therefore HRD has an important role to play; it can be a vehicle for achieving these objectives.
- If we consider the definition of employee development it is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
- The definition throws light at the management's compulsions to set policies, make decisions and follow a course of action, that are advantageous for the employees. Corporations, before making their decisions, need to analyse the developmental consequences of such resolutions on human resources.
- Though there are some disagreements amongst businessmen who do not subscribe to the concept of employee development beyond a point because they feel that it entails costs. This notion can be rejected declaring that the sole responsibility of a business cannot be to guarantee effective utilization of resources that it has and engage in work designed to generate profits.

- In a free enterprise a corporate executive is an employee of the Company who has a direct responsibility towards his owners, his chief responsibility is to act as per the desire of the owners of the company and generate maximum profit for them while confirming to the basic rules of the society. Also the enterprises are not separate from society and organizations are made by people, for people and are of the people. Therefore it is important to develop the human resources if the company wants to survive in the competitive era.
- In the early 20<sup>th</sup> century, business firms were primarily worried with maximizing their profits. In the 1970s, social activists began to question business enterprises' odd objective of profit maximization. They reasoned that since businesses derive their existence from society, they have some compulsions towards it.
- The concept of employee development has been supported by various modern economists including various corporate executives.

**Employee development is important for the following reasons:**

1. To operate at a profit and ensure growth of the organization as a wealth creating and wealth producing organ of the society the company has to be serious about human resources development.
2. For ensuring future success and to avoid lack of skilled resources, employee development should be incorporated as apart from being a vehicle for developing the human resources, it can also help the company get the desired image of a socially responsible, enriching and fancied organization.
3. It helps ensure compliance to the social beliefs and cohesion by providing opportunity to the human resources to grow both within and outside the organization.

Any organization that aims at growing in the future must fulfill its social responsibilities with complete ardor. Being an inseparable part of the society the organization must

look to translate all the demands that the society makes into opportunities rather than perceiving them as threats to the organizations economic profitability. It is the task of the management to guarantee that all the demands of the society especially HRD is given due consideration.

Employee development should be perceived as an opportunity to grow into a more socially effective organization. The cases in point are some of the largest growing companies like Microsoft and SAIL who have used employee development as an opportunity to enhance their consumer base and social recognition as a socially responsible company.

## **10.9 SUMMARY**

HRD Programs have to be made, it has to be based on the current and future HRD requirements. The work of the human resource development practitioner is continuously evolving. Human resource development is now expected to make a strategic level contribution and contribute to individual and organizational effectiveness. Human resource development practitioners are increasingly required to network and build relationships to obtain support, resources, information, and knowledge. Strategic management involves decision making aimed at providing futuristic direction to an enterprise and therefore has a range of social implications as well apart from the economic results it is aimed at achieving. HRD responsibility emphasizes the consideration of the social criteria along with the familiar economic criteria in the development of corporate strategy.

## **10.10 GLOSSARY**

- **HRD Program:** It has to be based on the current and future HRD requirements. The work of the human resource development practitioner is continuously evolving. Human resource development is now expected to make a strategic level contribution and contribute to individual and organizational effectiveness.

## **10.11 SELF-CHECK QUESTIONS**

1. Discuss the evolution and implementing of hrd program.
2. Describe the steps in the process of evaluation.
3. Discuss the benefits of hrd program

#### **10.12 ANSWER TO SELF-CHEK QUESTIONS**

1. For answer refer to section 10.3, 10.4
2. For answer refer to section 10.5
3. For answer refer to section 10.6

#### **10.13 TERMINAL QUESTIONS**

1. What do you mean by HRD program? Discuss the different phases or critical success factors of hrd program.
2. Discuss the evolution and implementing of hrd program.
3. Describe the steps in the process of evaluation. In detail.
4. Discuss the benefits of hrd program.

#### **10.14 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 10.1, 10.2
2. For answer refer to section 10.3, 10.4
3. For answer refer to section 10.5
4. For answer refer to section 10.6

## CHAPTER-11

### HRD INTERVENTION

#### STRUCTURE

- 11.0 Learning objectives
- 11.1 Introduction
- 11.2 Types of hrd interventions
- 11.3 Process of hrd interventions
- 11.4 Human resource development interventions component of the HPT model
- 11.5 Steps for designing hrd intervention
- 11.6 Summary
- 11.7 Glossary
- 11.8 Self-Check Questions
- 11.9 Answer To Self-Check Questions
- 11.10 Terminal questions
- 11.11 Answer to terminal questions

#### 11.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of HRD intervention
- Discuss the types of HRD intervention
- Describe the process of HRD intervention
- Discuss the steps for designing HRD intervention

#### 11.1 INTRODUCTION

HRD intervention is a term that refers to the planned and systematic activities or programs that aim to improve the performance and learning of individuals, groups, and organizations. HRD interventions can include training and development, organization development, and career development. The purpose of HRD interventions is to enhance the knowledge, skills, abilities, and attitudes of the employees and to align them with the goals and strategies of the organization. Define HRD intervention as a purposeful action

or initiative designed to enhance the skills, knowledge, and capabilities of individuals within an organization. Explain the goals and benefits of HRD interventions, such as improving individual and collective performance, fostering a learning culture, and contributing to organizational success.

## **11.2 TYPES OF HRD INTERVENTIONS**

Describe the four main categories of HRD interventions, according to Cummings and Worley (2009)

- Human process interventions: These are related to interpersonal relations, group, and organizational dynamics. They aim to improve communication, teamwork, conflict resolution, and leadership skills. Examples of human process interventions are team building, process consultation, and coaching.
- Techno-structural interventions: These are targeted toward structural and technological issues, such as organizational design, work redesign, and employee engagement. They aim to align the organization's structure and technology with its strategy, goals, and environment. Examples of techno-structural interventions are reengineering, downsizing, and quality management.
- Human resource management interventions: These impact areas such as performance management, talent development, DEIB, and wellbeing in the workplace. They aim to attract, retain, motivate, and develop the human capital of the organization. Examples of human resource management interventions are employee selection, compensation and benefits, training and development, and performance appraisal.
- Strategic interventions: These are concerned with the organization's relationship with its external environment, such as customers, competitors, and stakeholders. They aim to ensure the organization's long-term survival, growth, and competitiveness. Examples of strategic interventions are visioning, strategic planning, and change management.

## **11.3 PROCESS OF HRD INTERVENTIONS**

Explain the steps involved in planning and implementing HRD interventions, such as:

- Identifying the need or gap within the organization that requires intervention. This can be done through various methods, such as surveys, interviews, observations, or data analysis.
- Choosing the appropriate type and level of intervention that matches the need or gap. This can be done by considering various factors, such as the nature and scope of the problem, the availability of resources, the readiness and willingness of the participants, and the expected outcomes and impacts.
- Designing and developing the intervention program, which includes defining the objectives, content, methods, and evaluation criteria of the intervention. This can be done by involving various stakeholders, such as managers, employees, consultants, and experts.
- Implementing and facilitating the intervention program, which involves delivering the intervention activities, providing feedback and support, and monitoring the progress and results. This can be done by using various techniques, such as lectures, workshops, simulations, games, or online platforms.
- Evaluating and sustaining the intervention program, which involves assessing the effectiveness, efficiency, and relevance of the intervention, and identifying the areas for improvement or follow-up. This can be done by using various tools, such as questionnaires, tests, interviews, or observations.

#### **11.4 HUMAN RESOURCE DEVELOPMENT INTERVENTIONS COMPONENT OF THE HPT MODEL**

**Employee Selection:** Employee selection is choosing the right person for the job. The process begins with a precise description of the skills and/or knowledge, experiences, and personal characteristics needed to accomplish the job tasks . Valuable sources for identification are knowledgeable people and personal observations of competent performers. The selection process differs in complexity among organizations. Some fill

positions quickly and inexpensively by perusing resumes and application forms. Other organizations select potential employees by elaborate, and sometimes costly, selection systems involving job-related tests, a series of interviews, and background checks <sup>[55]</sup>. Decisions regarding selection are crucial for effective organizational performance.

**Compensation and Benefits:** Compensation programs are monetary and in-kind payments used by organizations. Goals of compensation policies include rewarding employees' past performances, remaining competitive in the labor market, maintaining salary equity among employees, motivating employees' future performances, maintaining the budget, attracting new employees, and reducing unnecessary turnover. Compensation typically includes pay for work and performance, disability income, deferred income, health, accident, and liability protection, loss-of-job-income, and continuation of spousal income when there is a loss due to an employee's relocation.

Benefits are the non-cash portion of the compensation program that are intended to improve the quality of work life for an organization's employees. Benefits include the employer's share of legally required payments (e.g., FICA, unemployment compensation, retirement and savings plan payments, 401k, profit sharing, stock bonuses, medical benefit payments, etc.) Benefits were once viewed as gifts from the employer; they are now considered entitlements.

**Motivation (Incentives and Rewards):** Incentives link pay with a standard of performance. They are future-oriented with the objective of inducing desired behavior. They can be short or long term, and they can be tied to individual and/or group performance. There are variations in incentives. Monetary incentives include salary, differential pay, allowances, time off with pay, deferred income, loss-of-job coverage, and other perquisites (product samples, an expense account, tax service, legal service, a company apartment, club membership, free housing, parking privileges, stock bonus, etc.). Nonmonetary incentives include desirable working conditions, training, and adequate equipment and materials. Examples of management incentives are participatory goal setting and decision making, and career opportunities.

Rewards can change and reinforce behavior. Skinner's research showed that rewarded behaviors are more likely to be repeated. Rewards need to be timely, specific, and

matched to the preferences of the person and the achievement of goals. Rewards can be formal, such as public recognition, gift certificates, etc., or informal such as field trips. Nelson has catalogued more than 1,000 ways to reward employees. Wilson suggests that rewards should be SMART: specific, meaningful, achievable, reliable, and timely.

**Performance Appraisals:** Performance appraisals help individuals manage their performance by providing them with feedback. Organizations also have performance appraisal programs that provide criteria for salary decisions, promotion, and improving job performance. Gohrman discusses the many potential benefits of regular performance appraisal: increase in employee self-esteem and motivation to perform effectively, job clarification, communication between employee and rater, clearer organizational goals, and better human resource planning. Morissey suggests that some positive advantages of performance appraisals are increased probability of promotion for good performance, decreased likelihood of receiving undesirable assignments, clear understanding of supervisor's expectations, and greater personal reward and recognition for meeting those expectations. He also sees benefits for the organization in reduced turnover, reduced liability for potential legal action, improved overall productivity, improved organizational results, and greater attractiveness to potential new hires. Research suggests that the performance review should be approximately 60 minutes long and conducted as a mutual discussion.

Examples of performance appraisal methods used by organizations include checklists, weighted checklists, graphic rating scales, mixed scales, forced-choice scales, and critical incidents (written descriptions of a highly effective or highly ineffective performance), and behaviorally anchored rating scales (BARS). The HRD literature is filled with positive techniques for conducting effective performance reviews. It also reports stories of anxiety, frustration, uncertainty, and ambiguity when performance appraisals are handled improperly.

**Assessment Centers and Competency Testing:** An assessment center is "a place where standardized selection procedures are applied, usually to separate management from non-management candidates and executive candidates from middle managers." Candidates are evaluated and selected by testing mechanisms to determine

if they are capable of performing predetermined skills. Others see it as a process where trained professional evaluators observe, record, and evaluate how a candidate performs in simulated job situations. In-basket techniques, leaderless group discussions, role playing, and speech making are common practices for testing job candidates.

It is important for an organization to study its jobs to identify and assign weights to the knowledge and skills each one requires. Testing people for current job skills, or for attributes or skills needed for future performance, helps the organization fulfill its strategic goals for human resources. Interviews, psychological profiles, intelligence testing, etc., are sometimes used in competency testing.

**Succession Planning and Career "Pathing":** Succession planning is a systematic identification of employees for senior management positions. It involves long-term planning and is often developmentally oriented. Succession planning is likely to involve input from several managers and recommendations for experiential assignments to ensure the ability of the candidates to fill positions as they open.

A career path is a sequence of jobs, usually involving related tasks and experiences that employees move through over time. For example, a career path in a school setting may include the positions of teacher, counselor, department head, principal, central office administrator, and superintendent. Career paths are generally vertical lines of progression; however, they can include horizontal assignments as well. This is increasingly the case as management positions disappear.

**Leadership and Executive Development:** Leadership development is necessary at all levels of an organization. High-potential employees receive special training and experience that translate into personal and professional growth. Leadership development includes coping with changes that occur during the life cycle of an organization, from growth to decline. It is about changes in the external environment, specifically about rearranging priorities and overturning assumptions about how the business operates and the role of leadership.

Executive development deals with the organization's vision, values, and business strategies, and the goal is to develop leaders who can ensure the strategic development

of the organization. Leadership and executive development are successful when the process is embedded in the organization's HRD efforts.

**Management and Supervisory Development:** Management development is "the education, training, knowledge transfer, and, ultimately, skills demonstration of those individuals who are defined as managers by their respective organizations." It is about coping with complexity. Effective management development supports the organization's mission, strategy, goals, objectives, and market position. Supervisory development is designed for front-line managers who work with and through non-management employees to meet the objectives of the company and the needs of its employees. <sup>[73]</sup> It is broader than management and executive development. Bittel and Newstrom state the unique roles the HRD and PT personnel play in supervisory development as follows :

- Recognition of the innate qualifications, limitations, and aspirations of supervisors
- Genuine knowledge of specific competencies required to complete work assignments
- Sensitivity to the roles and relationships imposed on the supervisors by the company
- Realization of the continuing evolution of the supervisor's role.

**Literacy:** Literacy is a person's knowledge, especially one's reading and writing abilities. Which enables the person to function in society. Literacy programs are efforts by businesses to improve workplace communication, job understanding, and job skill development.

Literacy rates are often directly connected to quality of work and job performance. Raising the literacy skills of workers is likely to increase productivity and lower production costs.

**Retirement Planning:** To have positive experiences in retirement, people must plan ahead. No longer is retirement looked at as withdrawal, retreat, and solitude . Current gerontological thinking suggests new words for retirement: reorientation, recommitment, reinvention, reinvovement, regeneration, renewal, renovation, redirection, reinvestigation, replenishment, reexploration, and more. Retirement planning is usually

part of a benefits package. People want to know about finding part-time employment (should they want it), legal issues, housing arrangements, health and wellness, etc.

**Health and Wellness:** Health and wellness programs are commonly offered by organizations and can serve to enhance employee morale and productivity and to reduce absentee rates and health care costs. According to the National Centers for Disease Control, more than 60 percent of all disease is caused by lifestyle risks. The most powerful lifestyle risks are smoking, inattention to diet, lack of exercise, substance abuse, back problems, mental distress, failure to use safety belts, and excessive stress. Employees who participate in workplace wellness programs tend to have better attitudes and behavior, exhibiting more loyalty, enthusiasm, motivation, and energy.

## **11.5 STEPS FOR DESIGNING HRD INTERVENTION**

**Identification of the Objectives:** An HRD professional, after completing the needs assessment, is required to define the objectives for the HRD program. The results of HRD program can be achieved through several means like lectures, coaching and mentoring. However this is not usually specified in the objective. Objectives are rather used as a basis for deciding which method should be used for achieving a specified outcome. Objectives are therefore essential to a successful HRD program. In addition objectives also help the organization in evaluating a program's success. Identifying the deficiencies in a training program can be achieved through needs assessment data. The objectives of any training program will be dictated by the specific deficiencies concerns and other aspects identified in the needs assessment. The success of any HRD program depends upon several parameters. Some of these include:

**Selecting the Trainer:** Once an organization has made a decision to design its own training program regardless of whether the trainers are within or outside the organization, it is important to select a trainer who can effectively deliver to meet the objectives of the organization. For an organization with a good HRD function, this decision is easy because they will be equipped with professionals, especially trained for this function. If selecting an External trainer, care should be taken to ensure that he/she has the required skills to

deliver effective instruction. Organizations look at both the qualifications and experience of the trainer in selection. References from other organizations can also be useful information for the organization in selecting the most appropriate trainer. In addition to the expertise relating to the techniques and tools of conducting training, the potential trainer needs to have adequate knowledge of the subject matter to be included in the future training activities. Such knowledge will help the trainer to select those training methods and materials which suit a particular training course. It will be worthwhile to point out that not all training methods are applicable to all training courses.

**Train-the Trainer Program:** Train-the-trainer programs are designed to introduce new and experienced trainers to fresh methods for creating and managing effective training programs that truly engage their learners. Trainers that attend train-the-trainer programs can learn how to reduce course preparation time, accelerate learning and discover new ways to demonstrate return on investment for clients. The purpose of train the trainer program is to provide subject matter experts with the necessary instructional knowledge and skills to design and implement a training program. These programs focus on many issues which are as follows:

- Developing trainee objectives and lesson plan
- Selecting and preparing training materials
- Selecting and using training aids (slides, videos, overheads)
- Selecting and using different training methods and technique.

**Preparing a Lesson Plan:** A lesson plan structures training sessions to facilitate the instructional objectives that were developed.

Content in the lesson plan include:

- Title of the lesson
- Objectives
- Timing
- Number of Participants

- Aids and Equipment
- Methods used
- Detailed plan of the content covered and activities planned for the session.

**Selecting Training Methods and Media:** The next step in the training method is to select the appropriate training method. A survey conducted stated that originations use the classroom format for all of their formal training. On the other hand the least active method of training is the lecture method .The methods such as outdoor training, role playing exercises, games, and simulations which are highly experiential demand the greatest amount of activity.

**Preparing Training Materials:** After training methods have been selected the next step is to purchase the training materials which would depend whether the program is purchased or designed by the origination.

**Conducting an HRD program involves the preparation of several materials such as the following:**

- Announcements of the training program – especially if selecting employees for long-term-training.
- Training materials: including outlines, handouts, PowerPoint or other presentations.
- Manuals or texts: relevant if the training is about the process of doing a specific job. Manuals will help in the retention and transfer of learning.

### **Program Announcements**

The target audience is informed about the training program through program announcements. The announcement made should indicate the purpose of the program, when and where it will be held, and how the employee can qualify to participate in the program.

Before the process of necessary request forms the employees should be given sufficient lead time so that they can adjust their schedules. The announcements are basically

mailed individually to employees or sent through supervisory channels, union stewards, company newsletters, or an organization's intranet.

### **Program Outlines**

The program outlines are the documents that communicate the content, goals, and expectations for a program. Typically provided are the beginning of the program, these include such things as course objectives, topical areas to be covered, materials, a requirement of each trainee, and a tentative schedule of events. The program outline can also be used to establish behavioral expectations, including punctuality, attendance, work habits, class habits, and class participation.

### **Training Manuals**

The trainers mostly rely on a training manual or textbook for the basic instructional material, reading, exercises, and self-test. Some of the documents are organized into modules as it makes easy to organize the training program into sessions. Trainers who decide to use a textbook normally contact a publisher and determine whether individual modules can be purchased separately.

Training manuals can be readily produced by an organization, particularly given the availability of desktop publishing software. The production cost will include staff time of curriculum design and writing, cost of equipment, and printing.

### **Scheduling an HRD Program**

The importance of timing was earlier discussed in the context of deciding whether to conduct training internally or externally. The organization needs to plan the types of HRD initiatives(education, training, self-development) for the year, so that they do not conflict with organizational goals. Organizations usually do not prefer to stop all their work because there are too many programs happening at once.

Furthermore, the decision of whether to conduct the program during work hours or after work hours is important. On the one hand, the organization may not be able to afford to release employees during working hours. The employee may not be able to come in for

a training program after work hours due to additional family or other responsibilities. The timing of a program should be decided on the basis of balancing these two conflict needs.

### **Scheduling during work hours**

Scheduling the training program during the normal working hours avoids the conflicts such as commuting, family and other personal obligations which send the message to the employees that learning is an important part of the job. The HRD professional while scheduling the program during the normal work hours should consider factors such as the day of the week, time of the day, peak work hours, staff meetings and travel requirements.

The day of the week is not considered as most the employees often favor some days off such as Monday, Friday. Scheduling a training program on the peak work hours are the times of the day, which can cause a potential conflict.

### **Scheduling after work hours**

At times the organizations schedule the training program after the work hours or in the weekend to avoid the constraints discussed earlier though this approach can also create problems. Even though the employees are aware of the schedule of the training program on a particular day in advance some familial problems arise causing a few to miss the training sessions.

Employees are not physically and mentally fit after a long day at work so they avoid the program and those who attend experience fatigue.

### **Registration and Enrollment Issues**

The other problem which is faced during the training program is the enrollment and registration process. All the participants and the managers should clear and aware about the registration process and who is responsible for the logistics issues (e.g. travel arrangements, lodging, meals etc. and what if the employees need to cancel or do the rescheduling of the training. Reg. Online is such a program which provides online registration for such types of events, including the training programs.

## **11.6 SUMMARY**

HRD intervention is a term that refers to the planned and systematic activities or programs that aim to improve the performance and learning of individuals, groups, and organizations. HRD interventions can include training and development, organization development, and career development. The purpose of HRD interventions is to enhance the knowledge, skills, abilities, and attitudes of the employees and to align them with the goals and strategies of the organization. Define HRD intervention as a purposeful action or initiative designed to enhance the skills, knowledge, and capabilities of individuals within an organization.

### **11.7 GLOSSARY**

- **HRD intervention:** It is a term that refers to the planned and systematic activities or programs that aim to improve the performance and learning of individuals, groups, and organizations. HRD interventions can include training and development, organization development, and career development.

### **11.8 SELF-CHECK QUESTIONS**

1. What do you mean by HRD intervention?
2. Discuss the types of HRD intervention.
3. Discuss the process of HRD intervention in detail.

### **11.9 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 11.1
2. For answer refer to section 11.2
3. For answer refer to section 11.3

### **11.10 TERMINAL QUESTIONS**

1. What do you mean by HRD intervention? Discuss the types of HRD intervention.
2. Discuss the process of HRD intervention in detail.
3. Discuss the steps for designing HRD intervention.

### **11.11 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 11.1, 11.2
2. For answer refer to section 11.3
3. For answer refer to section 11.5

## **CHAPTER-12**

### **THEORY OF LEARNING**

#### **STRUCTURE**

- 12.0 Learning objectives
- 12.1 Introduction
- 12.2 Theories of learning
- 12.3 Trends in workplace learning
- 12.4 Learning intervention
- 12.5 Summary
- 12.6 Glossary
- 12.7 Self-Check Questions
- 12.8 Answer To Self-Check Questions
- 12.9 Terminal questions
- 12.10 Answer to terminals questions

#### **12.0 LEARNING OBJECTIVES**

**After studying the lesson, you should be able to:-**

- Describe the concept of learning
- Discuss the theories of learning
- Describe the trends in workplace learning
- Describe the concept of learning intervention

#### **12.1 INTRODUCTION**

Knowing and getting a better understanding of different learning theories can be a tough and tiring task, but for an effective and knowledgeable employee base, it is important to assess the learning potential of your employees. It is needed to be done so that the companies can predict the success rate of employee training campaigns, i.e. whether they are investing their time and money at right spot or not and for how long they will have to keep on investing.

Learning theories are the basis of getting an idea of how different people learn different things and how much time they will need to learn them. It is a fact that some people are successful at learning new knowledge and skills which other people are unable to grasp. That's where these theories come in as a guiding light to help in the analysis of the learning capabilities of their employees. Moreover, by providing the necessary knowledge, these, actually provide alternative means for achieving a target like pre-defining a broad spectrum of workshops, training courses and much more.

## **12.2 THEORIES OF LEARNING**

As part of your organization's Learning and Development team, you've (probably) invested in a learning management system (LMS). While an LMS is an essential tool for teaching employees digitally, it's not the only thing you'll need to design effective courses. To build and deploy courses that your employees will actually learn from, you'll also want to have a grasp of common learning theories, sometimes called learning styles. If you understand the mechanisms that power the human learning process, you're much more likely to design effective courses that align with them — and to increase your training program's ROI. The theories of learning that we'll cover range from learning concepts rooted in the study of psychology to broader learning philosophies.

### **1. Cognitive Learning Theory**

Cognitive Learning Theory, also referred to as cognitivism, focuses on learners objectively analyzing their thoughts and feelings (metacognition) to gain information more effectively. In other words, it asks them to 'think about how they think'. According to the theory's concepts and practices, you can build strategies to use your brain to learn or teach more effectively when you understand how thinking patterns work. You can also become more aware of the ways that your mind connects facts to foster those links. Many strategies in Cognitive Learning Theory involve active learning that connects incoming information with past experiences. Rather than promoting rote memorization, cognitive learning-based lessons encourage learners to use and apply their new knowledge. You can implement more active learning in your workplace training through meaningful human interaction. In fact, active learning's practices and benefits come mainly from learners interacting with each other. As opposed to passive (lecture-based) learning's lack of

student engagement and interaction, active learning encourages students and teachers to work together to build new social and cognitive connections.

## **2. Behavioral Learning Theory**

Pioneered by researchers like John Watson and B.F. Skinner, Behavioral Learning Theory (behaviorism) centers on the idea that people learn by interacting with their environments through a system of stimuli and response. Plenty of concepts under the theory, such as positive reinforcement, highlight how you can adjust the learning environment to encourage new behaviors. By setting up an environment that rewards learning, you'll encourage your team to pursue and use new information. In academia, Behavioral Learning Theory is often associated with passive learning, since learners are seen as essentially responding to repetitive stimuli from the trainer. However, there are opportunities to create more of an active learning environment based on behaviorist principles. For instance, you can encourage learners to seek out training resources or go through question and answer exercises — these forms of training fit nicely within the behavioral learning framework. You can also encourage employees to learn in the flow of work by proactively seeking out the resources they need. Especially if they are 'rewarded' for such self-directed learning, they'll form positive associations with this type of behavior — another tenet of Behavioral Learning Theory. Positive reinforcement like this can take the form of gamification techniques, or simple praise from a manager.

## **3. Constructivist Learning Theory**

Under the Constructivist Learning Theory (constructivism), learners build knowledge as they experience the world and one another. As its name implies, the theory argues that learners formulate their own set of knowledge, adding to that understanding as they gain information and experience. For constructivists, the learning process is cumulative. This building process involves taking part in learning experiences and reflecting on those experiences. The theory also maintains that learning cannot be uncoupled from the context in which it takes place. In the workplace, peer training applies the concepts of constructivism by creating a social experience that allows learners to build knowledge together. Traditional top-down teaching leads to passive learning that doesn't provide opportunities to create knowledge through experience. It doesn't necessarily try to

connect new material to learners' past acquired knowledge, either. Meanwhile, peer-to-peer learning promotes a meaningful and engaging learning experience involving two learners exchanging relevant, actionable information.

#### **4. Connectivism Learning Theory**

One of the most recent learning theories mentioned here, connectivism considers the impact of the digital age on learning. It argues that social connections and technology shape learning and that we must adapt to constantly changing knowledge. According to connectivism, a person's capacity to learn is more important than understanding current information, since that information is bound to change in the first place. Connectivism applies especially to today's workplace learning climate, where collaboration is becoming increasingly remote and bottom-up. With an LMS that facilitates social learning through collaborative activities, you can tap into the advantages of connectivism. Flexible and democratized LMS platforms also allow for continuously updating facts that learners can share quickly.

#### **5. Adult Learning Theory**

Adult Learning Theory establishes that adults have different learning needs than children because they have more preconceived notions and biases due to living a longer life. They have more internal motivation to learn than children and want to learn information that they can use to achieve personal learning objectives. The term "Adult Learning Theory" can refer to a group of learning theories that apply to adults or be interchangeable with the term andragogy — the practice of teaching adults. One way to apply the principles of Adult Learning Theory to your training program is to integrate more performance learning strategies. These approaches involve more self-directed and pragmatic training that appeals to adult learners. Rather than following a set curriculum, performance learning has a project-based structure that urges participants to use high-level skills like critical thinking to solve problems on their own. By prioritizing Adult Learning Theory in your L&D program design through practices like performance learning, you can also improve your team's morale. Adult Learning Theory principles place learners alongside teachers as equals instead of repeating the power structure from traditional schooling.

## 6. Self-Directed Learning Theory

Self-Directed Learning Theory gives learners control over their own learning pathways. This theory was previously considered a component of Adult Learning Theory, or andragogy. Self-directed learning is now a theory in its own right, supporting workplace learning where employees declare their own knowledge gaps and learning needs. This theory doesn't mean learners are completely on their own. In fact, most learners want their L&D department to provide resources, like a series of curated training materials or a budget, to guide them on their journey. L&D can apply this theory by embracing on-demand learning opportunities for employees to use in the flow of their work. One useful tactic is to build learning libraries that employees can access anytime. This type of knowledge management has a positive effect on employees' decision-making skills and encourages in-house subject matter experts to share their hard-earned knowledge with their team.

## 7. Transformative Learning

Transformative learning explores meaning structures — the beliefs and experiences that influence how we interpret ideas — and how reflection-based learning can help us transform them. Practices based on transformative learning often aim to create a “disorienting dilemma” that challenges the learner's worldview. Through this disorienting dilemma, the learner can reevaluate what they believe about the world and develop a new viewpoint. In the workplace, anti-bias and diversity training strives for transformative learning that encourages learners to think about their preconceived notions of others. Research shows that ongoing, active, and collaborative D&I education has the best chance of challenging biases.

## 8. Learning Curve Theory

According to the Learning Curve Theory, an employee will become faster and more effective at completing a task as they do the task over and over. Many organizations that use Learning Curve Theory measure performance through a formula that involves an output unit, a unit of cost, and a time frame or productivity target. If you use an LMS with

in-depth training data, you can monitor that information using a learning curve formula to see if your content helps learners adapt to the learning curve. By evaluating the impact of your courses on your results through a learning curve, you can also strategize ways to make them more effective and calculate ROI.

## 9. Lifelong Learning Theory

The Lifelong Learning Theory presents learning as a lifelong journey that goes beyond childhood education. According to this concept, personalized learning can help adults fill in the knowledge gaps left by traditional education and overcome boundaries like economic status and age. Using age as a starting point, Lifelong Learning aims to give everyone an equal chance to learn, regardless of differences in demographics. You can apply Lifelong Learning strategies to your training program by fostering a multigenerational learning experience. We found that generational attitudes toward work have fewer differences than people commonly believe, but you can account for the differences that do exist through a democratized learning model. Focusing on employee career growth, sharing institutional knowledge, and promoting digital literacy will even the playing field for learners of all ages.

## 10. Collaborative Learning

Many of these learning theories overlap when it comes time to craft a new approach to learning—Collaborative Learning. Collaborative Learning employs a bottom-up approach, where team members create and answer requests for knowledge. Because it is rooted in the importance of peer interaction, Collaborative Learning Theory incorporates some of the most effective aspects of popular learning theories:

- (Social) Cognitive Learning Theory applies meaningful human interaction to learning
- Constructivist Learning Theory focuses on shared experiences over passive learning
- Adult Learning Theory encourages learners to self-identify their learning needs
- Self-Directed Learning Theory empowers learners to take control of their own learning path

- Transformative learning confronts preconceived notions through new challenges
- Lifelong learning's democratized knowledge shared across job positions and generations

## **12.3 TRENDS IN WORKPLACE LEARNING**

### **1. Hyper-Personalization**

Creating batches of 2D learning content and expecting everyone to absorb it the same way won't work anymore. This year, we'll see more and more learning become as personalized to the learner as possible. From individual learning assessments and plans to courses offered in several different modes, 2022 is all about learning in a way that works best for learners. This personalization is mutually beneficial for companies and their teams, allowing learners to increase their knowledge and value and helping companies increase retention, create a dynamic workforce, and stay on track. Personalized solutions also make learning more accessible, inclusive, and motivating for everyone in their learning journeys.

### **2. Adaptive Learning**

In short, there's no going "back to normal." However, there is a way forward. Adaptive learning will be paramount to meeting the challenge of upskilling, reskilling, and cross-training your teams effectively. It's also one of the biggest trends we'll see in workplace learning this year. Adaptive learning means offering learners a learning path that changes based on skills they've already mastered and still need to learn, further personalizing experiences. Adaptive learning allows learners to take individualized learning paths, where courses, skills, and steps can be skipped or added. These changes can be triggered by competency assessments or artificial intelligence.

### **3. Cross-Training**

In the same way learners will need unique solutions to absorb and retain new information, companies require unique solutions to today's problems. Amidst a talent shortage and the Great Reshuffle, many organizations have had to go back to the drawing board to

determine how to answer rising demand with limited people power. A major trend that emerged to solve this issue is cross-training. Cross-training allows teams to learn skills and competencies outside their current scope of work. Cross-training helps people execute multi-team projects faster, better, and with deeper understanding.

#### 4. Gamification

The rise of gamification in eLearning has been steady up until now. However, in 2022, we'll see gamified learning reach a whole new level. In an era where it's a fight for every precious second of attention, learners will require interactive and exciting techniques to keep them engaged. And the most substantial gamification incentive? Real-life rewards.

#### 5. Microlearning

What's the best way to keep learners engaged, outside of making learning fun? Keep it short, sweet, and to the point. This year, we'll see microlearning come to the forefront of engagement strategies. Micro or bite-size learning presents information in small bits to help learners retain and remember better. For instance, Duolingo uses microlearning to teach languages more effectively than university courses. Research shows most people would use their company's learning platform if courses were shorter and more frequent. Microlearning addresses learners' specific needs and learning styles. It also encourages people to learn in their spare time instead of trying to fit an hour-long seminar into their day.

#### 6. Asynchronous Learning

Learning happens everywhere. Gone are the days where you show up to a lecture just to zone out or play a training video in the background to pass a requirement. Asynchronous learning allows learners to stop where they need to and pick up where they left off, increasing understanding, engagement, and retention. Another aspect of asynchronous learning enables instructors to provide feedback in almost real-time, letting them mold students as they learn. Features like video coaching let learners practice skills like public speaking and elevator pitches and receive feedback without needing an instructor present at the time of recording.

## 7. Mobile learning

Also in line with the ability to learn from anywhere is mobile learning. Almost 90% of the population uses smartphones, and most spend 4-6 hours a day looking at them. While some companies have chosen not to pursue a mobile option, many others will shortly appear in your hand with apps and other mobile learning solutions. Whether exclusively mobile learning platforms or reformat of desktop versions, expect to see this format skyrocket in the upcoming year.

## 8. Design-Forward, No-Code Platforms

What would your life be like if you never saw or heard about a SCORM file again? This year, we'll see more and more platforms that emphasize UX and intuitive design without coding or strict data standards. Interfaces that look and work like modern software wizards will permeate the market more this year than ever before to amplify learning and let instructors spend less time constructing courses and more time creating them. No-code platforms also allow learning professionals who aren't computer science experts to build meaningful lessons. Likewise, learners will be able to focus on learning without having to master a new system first.

## 9. Curated Content

With almost endless eLearning content available, we'll start to see a more significant focus on content curation. Too many options can quickly devolve into a paradox of choice, which is frustrating at best and deeply unmotivating. Selecting content for specific competencies, roles, and teams allows instructors to get specific while decluttering the learning process. Content curation also drives interest in new subjects and organically expands learners' scopes.

## 10. Emphasis on Soft Skills

Workplace demands are changing, and employers are focusing on soft skills more than ever. In response, workers worldwide are most often engaging in courses based on teamwork, leadership, productivity, and collaboration. Although technical skills like data

science and accounting are still popular among learners, many focus on more transferrable skills, indicating a shift toward a more agile and dynamic workforce.

#### **12.4 LEARNING INTERVENTION**

A learning intervention is any planned and structured activity that aims to improve the knowledge, skills, or attitudes of individuals or groups in an organization. Learning interventions are important for HRD because they help to build the capability and performance of employees, teams, and the organization as a whole. Learning interventions can also support employee engagement, retention, and career development.

Some examples of learning interventions are:

- On-the-job training, where employees learn by doing tasks under the guidance of a supervisor or a mentor.
- In-house development programs, where employees participate in workshops, seminars, or courses designed and delivered by the organization or external providers.
- Formal qualifications, where employees enroll in accredited programs offered by educational institutions or professional bodies.
- Online learning, where employees access digital content and interact with instructors and peers through various platforms and tools.
- Blended learning, where employees combine different learning methods, such as face-to-face and online, to achieve their learning objectives.

To design and deliver effective learning interventions, HRD practitioners need to align them with the business strategy, collaborate with business leaders, assess employee capabilities and identify skills gaps, choose appropriate learning methods, evaluate the impact of learning, and continuously improve the learning process.

#### **12.5 SUMMARY**

Learning theories are the basis of getting an idea of how different people learn different things and how much time they will need to learn them. It is a fact that some people are successful at learning new knowledge and skills which other people are unable to grasp. That's where these theories come in as a guiding light to help in the analysis of the learning capabilities of their employees. Moreover, by providing the necessary knowledge, these, actually provide alternative means for achieving a target like pre-defining a broad spectrum of workshops, training courses and much more.

## 12.6 GLOSSARY

- **Cognitive Learning Theory:** It is also referred to as cognitivism, focuses on learners objectively analyzing their thoughts and feelings (metacognition) to gain information more effectively. In other words, it asks them to 'think about how they think'.
- **Behavioral Learning Theory (behaviorism):** It is centers on the idea that people learn by interacting with their environments through a system of stimuli and response. Plenty of concepts under the theory, such as positive reinforcement, highlight how you can adjust the learning environment to encourage new behaviors.
- **Constructivist Learning Theory (constructivism):** It is learners build knowledge as they experience the world and one another. As its name implies, the theory argues that learners formulate their own set of knowledge, adding to that understanding as they gain information and experience.

## 12.7 SELF-CHECK QUESTIONS

1. What do you mean by learning?
2. Discuss the theories of learning.
3. Discuss the trends in workplace learning.

## 12.8 ANSWER TO SELF-CHECK QUESTIONS

1. For answer refer to section 12.1
2. For answer refer to section 12.2

3. For answer refer to section 12.3

### **12.9 TERMINAL QUESTIONS**

1. What do you mean by learning? Discuss the theories of learning.
2. Discuss the trends in workplace learning.
3. Describe the concept of learning intervention.

### **12.10 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 12.1, 12.2
2. For answer refer to section 12.3
3. For answer refer to section 12.4

## CHAPTER-13

### TRANSFER OF LEARNING

#### STRUCTURE

- 13.0 Learning objectives
- 13.1 Introduction
- 13.2 Concept of transfer of learning
- 13.3 Different types of transfer of learning
- 13.4 Benefits of learning transfer in the workplace
- 13.5 Learning transfer challenges
- 13.6 Summary
- 13.7 Glossary
- 13.8 Self-Check Questions
- 13.9 Answer To Self-Check Questions
- 13.10 Terminal questions
- 13.11 Answer to terminal questions

#### 13.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of transfer of learning
- Discuss the different types of transfer of learning
- Discuss the benefits of learning transfer in the workplace
- Describe the learning transfer challenges

#### 13.1 INTRODUCTION

The objective of learning is not learning, it's performance improvement. Rather than learning for the sake of it, learning should have an end product to reach that is more than just increased knowledge. The learning that you provide for your people, both formal and informal, should be closely linked to business outcomes and objectives. We see so

many learning and development (L&D) departments put on a suite of courses or offer the latest and greatest LMS packed full of content that all lead down the same rabbit hole and contributes to no significant changes in performance. Without viewing learning as a means to improve performance, your workplace may your training doesn't work and you run the risk of your training budget being cut. Without performance improvements to back up your training, L&D will be seen as a cost rather than an investment.

### **13.2 CONCEPT OF TRANSFER OF LEARNING**

Learning transfer is what you do with your newfound knowledge or skills to improve your performance. It's all about how to encourage, promote and evaluate the transfer of knowledge, skills, and behaviours from training to the workplace. We've all been guilty of reading a self-development book and then doing absolutely nothing with all this new "wisdom" and learning we now have. We're not transferring this learning into our work to improve the performance of what we're doing. We've been on that course (this is an example of formal learning) that required us to take multiple days out of our work schedule but then done nothing off the back of it. We've all been guilty of seeing a colleague perform well at work (this is an example of informal learning) and saying to ourselves that we're going to use a similar strategy in the future, but again it's forgotten by lunchtime. This frequent occurrence is a major concern for learning and development departments around the world. The transfer of learning sparks varying debates on how much learning should be applied in the workplace for it to be classed as effective and how learning transfer should be measured.

### **13.3 DIFFERENT TYPES OF TRANSFER OF LEARNING**

Learning is a dynamic and lifelong process that extends far beyond the confines of a classroom. One of the most intriguing phenomena in the realm of learning is the concept of "transfer of learning." This concept refers to the ability to apply knowledge or skills learned in one context to a different but related context. Understanding the various types of transfer of learning is essential for educators, trainers, and learners alike. In this article, we will explore different types of transfer of learning.

1. **Positive Transfer:** Positive transfer occurs when previously acquired knowledge or skills enhance a person's ability to learn or perform in a new context. It is often seen as a desirable outcome as it promotes efficiency and effectiveness in learning. Let's delve into some practical examples to better understand positive transfer. **Example 1: Language Learning:** Imagine you are learning Spanish as a second language, and you have already mastered French. In this case, your knowledge of French, particularly in areas where the two languages share similarities in grammar or vocabulary due to their common Latin roots, can positively transfer to your Spanish learning. For instance, understanding the concept of gendered nouns in French (masculine and feminine) can help you grasp a similar concept in Spanish, making it easier to learn and remember. **Example 2: Musical Instruments:** Suppose you have learned to play the piano proficiently and now wish to learn the guitar. Your understanding of musical notation, rhythm, and even finger dexterity from playing the piano can positively transfer to your guitar learning journey. This transfer can expedite your progress in acquiring guitar-playing skills. **Example 3: Problem-Solving Skills:** In the workplace, employees often encounter various problem-solving scenarios. If an employee has experience dealing with complex customer service issues, the problem-solving skills acquired in that context can positively transfer to other job roles, such as managing inventory or coordinating projects. The ability to analyze situations, make informed decisions, and communicate effectively is transferable across diverse work contexts.

2. **Negative Transfer:** Negative transfer, on the other hand, occurs when prior knowledge or skills hinder a person's ability to learn or perform in a new context. While it is not as desirable as positive transfer, understanding negative transfer can help educators and learners identify potential pitfalls and mitigate their effects. **Example 1: Driving a Different Vehicle:** If you are an experienced driver of an automatic transmission car and then attempt to drive a manual transmission vehicle, your prior knowledge of driving an automatic may negatively transfer. In this case, you may inadvertently apply the wrong skills, such as trying to use a clutch that doesn't exist in an automatic car, leading to a challenging and potentially frustrating experience. **Example 2: Language Pronunciation:** When learning a new language with distinct phonetic features, negative transfer from your native language's pronunciation can lead to mispronunciations. For instance, if you are a

native English speaker trying to learn Mandarin Chinese, your English pronunciation habits may negatively transfer, causing difficulties in producing accurate Mandarin tones. Example 3: Programming Languages: In the realm of computer programming, negative transfer can occur when a programmer proficient in one programming language attempts to work with a radically different language. For instance, if a programmer is skilled in Python and then transitions to a language like Lisp, the programmer may struggle initially due to negative transfer, as the syntax and programming paradigms of the two languages are markedly different.

3. Proactive Transfer: Proactive transfer refers to the influence of previously acquired knowledge or skills on learning new information or skills in the future. It occurs when earlier learning facilitates the acquisition of related knowledge or skills. Let's explore some practical examples of proactive transfer. Example 1: Mathematics: Suppose you have a strong foundation in basic arithmetic and algebra. When you start learning calculus, your prior knowledge of algebraic concepts and equations can proactively transfer to help you understand and solve calculus problems more effectively. The algebraic rules you've learned are foundational to higher-level math, making the transition smoother. Example 2: Learning New Software: In the rapidly evolving world of technology, employees frequently need to adapt to new software applications. If an individual has previous experience using similar software programs, the proactive transfer of skills such as navigating user interfaces or understanding common terminology can significantly expedite the learning process for the new software. Example 3: Learning a New Sport: Consider a scenario where someone who has experience playing tennis decides to learn squash. The knowledge of hand-eye coordination, footwork, and strategy from tennis can proactively transfer to the new sport of squash, making the adaptation process quicker and more efficient.

4. Retroactive Transfer: Retroactive transfer is the opposite of proactive transfer; it occurs when newly acquired knowledge or skills influence or hinder the recall or application of previously learned information or skills. While it might seem counterintuitive, retroactive transfer can have a significant impact on the way we learn and remember things. Here are some practical examples. Example 1: Learning New Software Updates: Continuing

with the theme of software, imagine you have been using a specific software application for years, and the company releases a major update with significant changes to the user interface and functionality. After adapting to the new version, you may find it challenging to recall how to perform tasks in the older version because the retroactive transfer of knowledge from the new version has interfered with your memory of the old one. Example 2: Language Learning: When learning multiple languages simultaneously, retroactive transfer can occur when knowledge of a new language interferes with your recall of previously learned languages. For instance, if you start learning Italian after becoming proficient in Spanish, you might occasionally use Italian vocabulary or grammar when trying to communicate in Spanish, unintentionally retroactively transferring elements from the newer language. Example 3: Changing Study Habits: Consider a student who has developed effective study habits over the years, which involve structured routines and dedicated study times. If this student decides to experiment with a new, less structured approach to studying, the retroactive transfer of the old study habits may make it challenging to adapt to the new method. The well-established routine could hinder the ability to fully embrace the new approach.

5. Bilateral Transfer: Bilateral transfer, also known as cross-transfer, is a unique phenomenon where the transfer of learning occurs in both directions, between two related skills or domains. This means that the knowledge or skills acquired in one context positively impact another, and vice versa. Bilateral transfer has significant implications in sports, music, and cognitive skills development. Let's explore some practical examples. Example 1: Sports Training: In the world of sports, bilateral transfer often occurs when athletes engage in cross-training activities. For instance, a soccer player who practices yoga for flexibility and balance may find that the skills and physical awareness gained from yoga positively transfer to their soccer performance. Simultaneously, soccer-specific agility and coordination may also enhance their yoga practice. Example 2: Music Education: Musicians often experience bilateral transfer when learning to play multiple instruments. For example, a pianist who learns to play the guitar may find that their understanding of musical theory, rhythm, and ear training from piano playing positively transfers to their guitar skills. Likewise, the finger dexterity and coordination developed on the guitar can enhance their piano playing. Example 3: Cognitive Skills: In cognitive

skills development, bilateral transfer can be observed when individuals engage in activities that stimulate both sides of the brain. For instance, practicing a musical instrument involves both creative and analytical thinking. As a result, a musician may find that their problem-solving abilities, creativity, and cognitive flexibility positively transfer to other aspects of their life, such as academic pursuits or professional challenges.

#### **13.4 BENEFITS OF LEARNING TRANSFER IN THE WORKPLACE**

There are numerous benefits of learning transfer, but the most crucial comprehending the learning material. In the workplace, learning transfer determines skilled and efficient workers, which impacts the organisation positively. Other common advantages of efficient transfer of learning include:

- **Improved Performance:** By measuring how well an individual grasped the learning material, we can identify the areas of improvement, determine the effectiveness of learning modules, and find solutions to any transfer gaps. Learning transfer also helps evaluators assess the knowledge and expertise of workers based on training material and can provide feedback for cycled learning and improvement.
- **Enhanced Problem-Solving:** Transfer of learning develops complex skills such as problem-solving and decision-making, which are strong components for analogical transfer. Learners can transfer knowledge despite changes in the critical attributes of a situation. This encourages them to apply what they learned in a completely distinct transfer context.
- **Versatility and Adaptability:** With both improved performance and complex problem-solving skills, learning transfer enables individuals to be versatile and adaptable as they hone their critical thinking skills to be able to apply their knowledge and skills to different transfer tasks.
- **Identifying Transferable Skills and Knowledge:** Knowledge transfer can evaluate the effectiveness of workplace training programmes. The efficacy of learning transfer can measure whether the knowledge and skills learned during training will be repeated at work. Organisations can enhance knowledge transfer in the workplace by identifying the necessary skills for the job. This can be achieved through processes

like skill mapping, exercises to recognise transferable skills, and ongoing learning modules that emphasise the abilities needed within the organisation.

- **Skill Mapping:** Skill mapping can help in matching training content with the specific skills required in the workplace. It involves analysing the different roles in an organisation to identify the skill gaps and developing the necessary skills through targeted learning modules. A skills matrix is often used during this process.
- **Transferable Skill Identification Exercises:** Transferable skill identification exercises help employees gain insight into the overall value of their training. Employees evaluate their skills and determine which skills can be used in different transfer contexts.
- **Continuous Learning:** Continuous learning goes beyond the initial learning stage. By fostering a learning environment that promotes ongoing learning, you can reinforce the value of retaining transferable skills in the workplace for professional development. Individuals can seamlessly integrate learned skills at work and even use the same skills in different contexts.

### 13.5 LEARNING TRANSFER CHALLENGES

- **Transfer Gap:** Even after concluding training, employees may face challenges in applying the learned material in the workplace. This is called the transfer gap and it often stems from issues with the training content, which is due to inadequate training design. To prevent the transfer gap, organisations must design and customise training programmes that facilitate effective knowledge transfer. This can be done by adapting the programme to include situational practices, case studies, and hands-on training.
- **Contextual Relevance:** Learning conflicting concepts can hinder employees' knowledge retention and transfer, which is why organisations need to stick to contextually relevant training content that directly relates to the skills needed for the role.
- **Knowledge Retention:** Challenges with learning transfer can originate from difficulties in processing information as individuals struggle to grasp the content presented to them, leading to poor knowledge retention. Efficient knowledge transfer means that employees understood the training content well, and can apply them in

real-life scenarios. To enhance knowledge retention, organisations can optimise their training courses to adapt to their workers' learning styles and conduct routine assessments to ensure that workers retain the material.

- **Inadequate Training Design:** Inadequate training design fails to engage employees to learn, leading to inefficiency. Training initiatives that lack simulations, practical application, and other hands-on learning experiences can hinder learning transfer. To prevent this, organisations must carefully consider the optimisation of their training modules. Organisations can create effective training designs aligned with their skill requirements and the learning styles of their employees. This can involve enlisting the expertise of industry professionals, leveraging software tools, or conducting surveys to determine the ideal employee training method.

### **13.6 SUMMARY**

Learning transfer is what you do with your newfound knowledge or skills to improve your performance. It's all about how to encourage, promote and evaluate the transfer of knowledge, skills, and behaviours from training to the workplace. We've all been guilty of reading a self-development book and then doing absolutely nothing with all this new "wisdom" and learning we now have. We're not transferring this learning into our work to improve the performance of what we're doing. We've been on that course (this is an example of formal learning) that required us to take multiple days out of our work schedule but then done nothing off the back of it.

### **13.7 GLOSSARY**

- **Learning transfer:** It is what you do with your newfound knowledge or skills to improve your performance. It's all about how to encourage, promote and evaluate the transfer of knowledge, skills, and behaviours from training to the workplace.

### **13.8 SELF-CHECK QUESTIONS**

1. What do you mean by transfer of learning?
2. Discuss the different types of transfer of learning.
3. Discuss the benefits of learning transfer in the workplace.

### **13.9 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 13.1, 13.2
2. For answer refer to section 13.3
3. For answer refer to section 13.4

### **13.10 TERMINAL QUESTIONS**

1. What do you mean by transfer of learning? Discuss the different types of transfer of learning.
2. Discuss the benefits of learning transfer in the workplace.
3. Explain the challenges of learning transfer.

### **13.11 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 13.1, 13.2, and 13.3
2. For answer refer to section 13.4
3. For answer refer to section 13.5

## CHAPTER-14

### STRATEGIC LEARNING AND LEADERSHIP

#### STRUCTURE

- 14.0 Learning Objectives
- 14.1 Introduction
- 14.2 Process of strategic learning
- 14.3 Strategic leadership
- 14.4 Strategic leadership process
- 14.5 Strategic leadership skills and characteristics
- 14.6 Strategic leadership vs. Other classifications of leadership
- 14.7 Skills for strategic leadership
- 14.8 How to be a strategic leader
- 14.9 Summary
- 14.10 Glossary
- 14.11 Self-Check Questions
- 14.12 Answer To Self-Check Questions
- 14.13 Terminal questions
- 14.14 Answer to terminal questions

#### 14.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of strategic learning
- Discuss the process of strategic learning
- Describe the concept of strategic leadership
- Discuss the strategic leadership process
- Describe the strategic leadership skills and characteristics
- Discuss the strategic leadership vs. other classifications of leadership
- Discuss the skills for strategic leadership

## **14.1 INTRODUCTION**

Strategic Learning is a learning-based process for creating and executing breakthrough strategies. Unlike traditional strategy, which aims at producing one-time change, Strategic Learning drives continuous adaptation. The process has four linked action steps—learn, focus, align, and execute—which build on one another and are repeated (as the fifth step) in a continuous cycle. Together they embody the five competencies mentioned earlier. The first two steps form the basis of a firm's strategy creation. The third and fourth steps are the foundations of strategy implementation. Thus, strategy creation and implementation are integrated in a mutually reinforcing process. The key is to think cycle—not straight line. Simply following the Strategic Learning process once is not enough. The leadership challenge is to repeat it over and over, so that an organization continuously learns from its own actions and from scanning the environment, and then modifies its strategies accordingly. The more often an organization repeats this cycle, the better it will become at doing it, thus enhancing its adaptive capacity. The result is a process of ongoing renewal that characterizes the truly adaptive organization.

The rules of success have changed. Sustainable competitive advantage no longer lies simply in a new product or service. It is an organizational capability to be adaptive. The new role of strategy is to provide the practical process and tools to help us build and lead adaptive organizations. Strategic Learning is a process that I developed for creating and implementing breakthrough strategies on an ongoing basis to create an adaptive organization.

## **14.2 PROCESS OF STRATEGIC LEARNING**

The process has been used successfully at notable companies such as Ericsson, SAP, De Puy, ExxonMobil, Deloitte, Federal Home Loan Bank of Atlanta, UGI, Chubb Corporation, Aviva, and The Girl Scouts of America. It is also the core methodology for executive education programs at the Columbia Business School. As illustrated, the process has four linked steps—learn, focus, align and execute—which build on one another and are repeated in a continuous cycle.

The first two steps form the basis of a firm's strategy creation. The third and fourth steps are the foundations of strategy implementation. Thus, strategy creation and implementation are integrated into a mutually reinforcing process. Strategic Learning is a leadership process that generates a cycle of ongoing discovery and adaptation. It strives to balance focus with flexibility, and thoughtful analysis with creative thinking which is continually sharpened through learning and experience. It is designed to engage the creative and intellectual energies of the organization as broadly as possible.

### **Step One: The Situation Analysis (Learn)**

All breakthrough strategies are based on superior insight. Therefore, the essential starting point in the Strategic Learning process is what I call the Situation Analysis—a systematic exercise in diagnostic learning. Its aim is very specific: to develop superior insights as the basis for the firm's strategic choices. The search for superior insight is where the competitive battle begins. Lose this battle, and you are likely to lose the war.

The goal of this step is to create asymmetry between a company and its competitors—to understand the competition, the marketplace, and the customers better than the competition does. These superior insights will enable a firm to make the most intelligent choices and to define its winning proposition—its statement of how it will win the competition for value creation.

The Situation Analysis is a process of divergent learning with an outside-in focus, conducted by cross-functional teams who are charged with generating superior insights in the following key areas:

#### **Customers**

- What are the trends in customer expectations?  
How is today different from yesterday?  
How will tomorrow be different from today?
- What are useful ways to segment customers?  
Which segments will we target? Which not?
- What is the hierarchy of needs of our targeted customers?  
(i.e., What do they value most?)

- How well do we and competitors serve those needs today?  
(S=Strong, M=Moderate, P=Poor)

### **Key Stakeholders**

- Who are our key stakeholders for whom value creation is a condition for success?
- What are the trends in stakeholder expectations?  
How is today different from yesterday?  
How will tomorrow be different from today?
- What is the hierarchy of stakeholder needs?  
What do they value most?
- How well do we currently serve those needs?  
(S=Strong, M=Moderate, P=Poor)

### **Industry Dynamics**

- Which trends are most important in shaping the structure of our industry?  
What are their root causes and ultimate consequences?
- How are these trends changing the rules of success?
- What threats do these trends present to our profitability and business model?  
What opportunities do they open up?

### **The Broader Environment**

What happening around us that will impact our business in regard to?:

- Economic trends
- Social habits and attitudes
- Globalization
- Technology
- Demographics
- Government intervention

### **Own Realities**

- What are the five-year trends on our critical performance measures, and what conclusions can we draw from them?
- Where are we making money and where not? (This question requires separation of profit and cash flow by customer, product group, geography – Averages tell you nothing.)
- Are we addressing our losing propositions?
- What are our key strengths that we can leverage for competitive advantage?
- What are our weaknesses that represent barriers to better performance?

The technique is to ask and answer the right questions-penetrating questions that will provoke insights. The aim is to scan and interpret the firm's external environment and its internal realities in a combination of analysis and creative brainstorming. The emphasis is on challenging existing assumptions and producing fresh, innovative thinking. It is important to probe and explore, always searching for trends, root causes, and ultimate consequences-not just stacks of data.

The insights derived from the Situation Analysis enable the organization to define the key business issues it faces and the alternative options for tackling those issues. This sets up the decision-making stage that constitutes step two of the Strategic Learning process.

### **Step Two: Strategic Choices (Focus)**

The Strategic Choices are the key deliverables of strategy creation. They are based on the insights generated in the Situation Analysis and represent the strategic focus of the firm.

The heart of the Strategic Choices is the firm's Winning Proposition. It answers the question, "What will we do differently or better than our competitors to achieve greater value for our customers and superior profits for our firm?"

Here is one of the places where strategy and leadership most directly intersect. One of the crucial skills of the leader is the ability to distill a company's strategic focus into a simple, compelling Winning Proposition which anyone can understand and follow.

### **Step Three: Align the Organization (Align)**

Once the Strategic Choices have been clearly defined, it is necessary to tackle strategy implementation. In large, complex organizations, this can be a daunting leadership challenge. For many executives, this is the hardest part of all.

Successful implementation requires that all the key supporting elements of the business system, including Measures and Rewards, Structure and Process, Culture, and People, be aligned behind the chosen strategy. At any given moment, the existing alignment has been put in place over time to support yesterday's strategy. It is now essential to realign the business system behind tomorrow's strategy. Otherwise, that strategy will fail.

#### **Step Four: Implement & Experiment (Execute)**

Step four is the actual implementation phase of Strategic Learning. It should include a deliberate set of experiments to fuel organizational learning. You can never know for sure what is going to work. Just as the Darwinian process of evolution is based on constant experimentation through variation, selection, and retention, so adaptive organizations must maximize their chances of finding favorable strategic variations through continuous experimentation.

Step four then feeds back into the Situation Analysis. The firm updates its insights, learning by examining its own actions and by re-scanning the environment, and then modifies its strategies accordingly. The process never stops.

### **14.3 STRATEGIC LEADERSHIP**

Strategic leadership is a practice in which executives, using different styles of management, develop a vision for their organization that enables it to adapt to or remain competitive in a changing economic and technological climate. Strategic leaders can use this vision to motivate employees and departments, fostering among them a sense of unity and direction to implement change within their organization.

The main objectives of strategic leadership are to streamline processes, boost strategic productivity, promote innovation and cultivate an environment that encourages employees to be productive, independent and to push forward their own ideas. Strategic

leaders sometimes make use of reward or incentive programs to encourage employees and help them reach their goals.

Strategic leadership is a type of leadership in which leaders influence those around them to embrace a collective vision for the success of their organization. These leaders can work confidently in ambiguous situations, approaching them with creativity, vision and focus on long-term success and providing their team with a clear sense of direction and collaboration to work together toward a common goal.

Strategic leaders possess the unique ability to figure out the best strategies and methodologies to help their organization remain sustainably competitive in the market. Sustainability requires adaptation, whether it's the available technology, the changing climate, fluctuating economy or other affecting factors, and organizations without strategic leaders are at risk of failure in the face of these factors.

For an organization to remain relevant in the changing world, its leaders need to have the ability to efficiently use available resources to provide services and create strategies that will enable the organization to move forward successfully.

#### **14.4 STRATEGIC LEADERSHIP PROCESS**

Leaders must first understand their organization's mission to be strategic. This means fully grasping why the company exists, who its customers are and how exactly it can provide value for them.

Then strategic leaders need to create a vision of what that mission will look like at a specified time in the future.

Finally, leaders must craft a strategy to put that vision into action. The strategy should map out the steps a company needs to take or the changes it needs to make to get from its current state to its desired state.

#### **14.5 STRATEGIC LEADERSHIP SKILLS AND CHARACTERISTICS**

Strategic leaders ideally have the ability to challenge prevailing viewpoints without provoking significant pushback, to see the big and small picture at the same time, to adapt to marketplace changes and take advantage of new opportunities, to make difficult

decisions, to balance an analytical perspective with the human dimension of strategy building, and to advocate for and engage with employees.

Key traits of an effective strategic leader include loyalty to the organization's vision, judicious use of power, transparency, effective communication, problem-solving, readiness to delegate, passion for their job, compassion, empathy for others and self-awareness.

According to Harvard Business Review, strategic leadership competencies include the following six essential skills:

- **Anticipate.** Collect information from a wide range of sources both inside and outside your company's industry or function to predict competitors' moves and reactions to new initiatives or products.
- **Challenge.** View and reframe a problem from multiple angles to understand its underlying causes.
- **Interpret.** Exhibit curiosity and openness when testing several working hypotheses and involve others before coming to any conclusions.
- **Decide.** Weigh long-term investments for growth with short-term pressure for results as well as the risks and tradeoffs for customers and other stakeholders, when making decisions.
- **Align.** Examine stakeholders' incentives and tolerance for change and identify conflicting interests.
- **Learn.** Convey stories of success and failure to advocate learning. Course-correct decisions after they have been made if there is refuting evidence.

#### **14.6 STRATEGIC LEADERSHIP VS. OTHER CLASSIFICATIONS OF LEADERSHIP**

Most large-scale organizations have three defined leadership classifications: strategic, organizational and production or action oriented. Strategic leadership consists of the top-

level executives responsible for the broad, long-term strategic direction of an organization.

Organizational leadership is made up of the midlevel leaders responsible for implementing near- and midterm goals and for developing the plans and processes used by the lower levels.

Production or action-oriented leadership is completed by the low-level leaders who have little discretion about the decisions they make and the procedures they use. Production leaders can still improvise in their positions, but they rarely invent because consistency is an important part of meeting their individual goals.

Operational leadership is another distinct classification. Whereas strategic leadership involves creating an organization's overall vision and the means to achieve it, operational leadership ensures that organizational processes are executed properly on a day-to-day basis. Operational leaders monitor performance, deal with constraints, ensure that employees understand what needs to be done and that the employees have the authority, knowledge and skills to complete these tasks.

## **14.7 SKILLS FOR STRATEGIC LEADERSHIP**

Strategic leaders possess a lengthy repertoire of skills and abilities. Some include:

- **Active listening:** A large part of effective communication includes actively listening to others' contributions to the conversation. Actively listening allows you to receive your team's input and allows them to feel more confident about collaboration. While many people think they're good at listening, most find that they're frequently just waiting to respond. Active listening, however, requires giving the speaker your full attention so that you can thoughtfully digest their words before responding. Experts suggest jotting down a quick note if you think of something important during the conversation so that you can remain focused.
- **Collaboration:** Approaching leadership collaboratively provides the transparency that your team values in a leader. Trusting your team to support this approach lets

them know that communication is open and welcome and that their ideas are valued and a large part of the organization's success.

- **Communication skills:** Having a vision is not sufficient to drive change if you're not able to effectively communicate it to your team. The ability to clearly articulate specifically what needs to be done will help to bring your team to a single understanding of the strategy and thereby unite the team's individual efforts to successfully carry out the plan. Successful leaders also make themselves accessible to their team at all times to respond to questions or hear concerns and ideas.
- **Dedication:** Expressing genuine enthusiasm for what you do encourages members of your team to be as committed as you are. As a standout contributor to a strategic leader's traits, dedication helps give you the drive to follow through and set the example of what you want to see in your team members. This is expressed in your willingness to be part of the team, working alongside those you lead and working just as hard toward the same shared goal.
- **Diplomacy:** Balancing honesty and tact is an acquired skill that leaders use to keep the environment respectful and collaborative between all members of the team as well as other departments and the public. While diverse perspectives and creative minds lead to the best innovations, there will be disagreements along the way. Diplomacy pairs your negotiation skills and empathy to approach any type of conflict with restraint and lack of bias to reach a solution that everyone can live with.
- **Empathy:** Taking the perspective of others is important to reach realistic solutions as well as build trust within your team. From a practical perspective, empathy can be the catalyst to the successful execution of creative, effective strategies that can lead to higher sales, mutual respect and greater overall productivity.
- **Humility:** Though it may seem counterintuitive, a humble leader who owns their missteps, gives credit where credit is due and issues apologies as necessary, gaining the respect of their team and colleagues. These leaders recognize their

humanity with all the imperfections that come with it and acknowledge that they may not be the smartest person in the room, but even if they are, their ego remains checked in order to facilitate a collaborative environment and groundbreaking innovations.

- **Innovation:** Viewing your work through a fresh lens each day helps to drive creativity, which is necessary for innovation. While it's necessary to remain realistic in your expectations, your ability to motivate your team to adapt to changing circumstances and think creatively will allow them to combine their different perspectives to form the best ideas.
- **Integrity:** Keeping your integrity intact drives the most success and influences those you lead to remain honest and embrace every success and failure as part of the process of creating great things. Your integrity also fosters the trust of your team as well as others outside of your team, which facilitates collaboration, transparency and unification within your organization.
- **Optimism:** Remaining optimistic is crucial to making sure that you can keep a positive attitude, whether things are going as planned or plans go awry for whatever reason. Leading by example helps you provide encouragement to your team to keep pushing until the desired outcome is achieved.

## 14.8 HOW TO BE A STRATEGIC LEADER

Strategic leadership isn't necessarily the same for every person, every team or every situation. The situational differences between companies, industries and even different departments of the same organization can create fluctuations in the way your leadership skills are utilized. The important thing is that you are willing and able to adapt your strategic leadership methodologies to suit your role, your team and the current circumstances. Here are some steps you can follow to be the strategic leader you've always wanted to be:

## **1. Delegate**

Strategic leaders are not afraid to grant autonomy to their team members in order for said team members to grow their own leadership skills. In fact, the best leaders distribute responsibility in a way that empowers employees to learn to take calculated risks when making decisions. This helps to increase the self-confidence and sharpen the skills of employees as well as facilitates the overall success of the organization in the long run by teaching others to adapt to changing circumstances and make decisions according to what the unique situation calls for.

## **2. Embrace transparency**

Strategic leaders know that sharing information is crucial for creating new opportunities for growth. Allowing access to relevant information can help future leaders feel more confident in challenging potentially inefficient processes or introducing better ideas to improve the practices of the company.

## **3. Encourage different avenues of communication and innovation**

One of the key skills for effective strategic leadership is to find ways to present ideas so that everyone fully understands and has the opportunity to provide feedback and additional contributions. Removing limits teaches future strategic leaders to embrace their creativity for innovation while connecting their curated solutions to the end goal.

## **4. Teach failure as a learning mechanism**

Many companies tout their tolerance for employees' endeavors to learn from their mistakes. It's important to embrace the fact that failure is a part of life, and acceptance of the occasional failure should be built into the company's expectations in order to encourage practical learning through trying out risky but potentially lucrative ideas. Strategic leaders also recognize that failures can often help develop skills to turn them into later successes.

## **5. Encourage interdepartmental collaboration**

Allowing opportunities for employees to meet and work with others across the organization can enhance their understanding of how the different parts of the company

function to create a collaborative result. Rather than remaining isolated from the others in the company they can become more adept in recognizing the value of what they each contribute.

As a strategic leader, it's up to you to find and recognize these opportunities, which may be easier said than done, as the best opportunities for collaboration may be subtly or fleetingly presented. However, when you recognize the unique talents and traits of your individual team members as well as those across the company, you can learn to pick up on these subtle opportunities for collaborative action.

With that said, you mustn't focus on just one or two people whose talents stand out to you more, lest you create the impression of giving some people special treatment over others. Instead, make it a point to cultivate the skills and qualities of each individual on your team so that each person has an equal opportunity to develop and grow.

## **6. Provide opportunities for experiential learning**

While many aspects of leadership development are informative rather than experiential, budding strategic leaders need the chance to put their theoretical strategies into real action to get real-life feedback and results. Instructional training is still important to develop managerial knowledge and skills, but considering long-term results requires learning through hands-on experience.

## **7. Hire potential**

When managers do the hiring, it's easy for them to gravitate toward hiring people who remind them of themselves, which is one of the reasons many companies put hiring into the hands of objective HR professionals. However, an active manager can hire objectively if they're looking for potential for growth rather than similarities between the candidate and themselves.

These decisions should carefully consider the soft skills of the candidate as well as their demonstrable drive and previous experiences that document their ability to transfer their skills to different tasks. Some organizations choose to do this by administering sample tests to candidates and evaluating not only their solutions but how they came to them,

revealing the path their mind took in figuring out the problem and solution and thus, their potential to be a strategic leader.

### **8. Draw on experience**

To be an effective strategic leader, you must be able to evaluate problems and formulate solutions by pulling from your previous experiences and adapting what you've learned from those experiences in a way that makes sense in the current situation. Just as important is encouraging others to do the same. This allows your team to feel comfortable using what they know and learning what they didn't know.

### **9. Take time to self-reflect**

Strategic leaders can identify the difficulties inherent in problem-solving. Some of these impediments can include your own bias, your previous assumptions and overall how you view the situation. Deep reflection on your own tendencies to approach certain situations subjectively helps recognize them when contemplating subsequent situations.

Reflection allows you to take a step back and focus on the larger picture and how the minutiae contribute to the overall outcome. It also allows you to learn from your past mistakes as well as recognize what you've done right. That all being said, try to focus on self-reflection by asking yourself specific questions rather than dwelling on your mistakes or ruminating unproductively.

### **10. Encourage continuous development**

Strategic leaders are aware that there are always opportunities for further learning, whether it's for themselves or others. They're experienced, but also humble. They're intelligent, but also vulnerable. Showing your team these characteristics in yourself can encourage them to recognize the same in themselves and learn from it. Continuous learning is what gives strategists the ability to develop their skills and to carry them over to new roles, new environments and even new industries.

## **14.9 SUMMARY**

Strategic Learning is a learning-based process for creating and executing breakthrough strategies. Unlike traditional strategy, which aims at producing one-time change, Strategic

Learning drives continuous adaptation. As shown in Figure 1, the process has four linked action steps—learn, focus, align, and execute—which build on one another and are repeated (as the fifth step) in a continuous cycle. Together they embody the five competencies mentioned earlier. The first two steps form the basis of a firm’s strategy creation. The third and fourth steps are the foundations of strategy implementation. Thus, strategy creation and implementation are integrated in a mutually reinforcing process.

Strategic leadership is a type of leadership in which leaders influence those around them to embrace a collective vision for the success of their organization. These leaders can work confidently in ambiguous situations, approaching them with creativity, vision and focus on long-term success and providing their team with a clear sense of direction and collaboration to work together toward a common goal.

Strategic leaders possess the unique ability to figure out the best strategies and methodologies to help their organization remain sustainably competitive in the market. Sustainability requires adaptation, whether it's the available technology, the changing climate, fluctuating economy or other affecting factors, and organizations without strategic leaders are at risk of failure in the face of these factors.

#### **14.10 GLOSSARY**

- **Strategic Learning:** It is a learning-based process for creating and executing breakthrough strategies. Unlike traditional strategy, which aims at producing one-time change, Strategic Learning drives continuous adaptation.

#### **14.11 SELF-CHECK QUESTIONS**

1. Define strategic learning.
2. Discuss the process of strategic learning.
3. What do mean by strategic leadership?
4. Discuss the strategic leadership process.

#### **14.12 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 14.1

2. For answer refer to section 14.2
3. For answer refer to section 14.3
4. For answer refer to section 14.4

#### **14.13 TERMINAL QUESTIONS**

1. Define strategic learning. Discuss the process of strategic learning.
2. What do mean by strategic leadership? Discuss the strategic leadership process.
3. Discuss the strategic leadership skills and characteristics.
4. Discuss the strategic leadership vs. other classifications of leadership.
5. Explain how to be a strategic leader.

#### **14.14 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 14.1, 14.2
2. For answer refer to section 14.3, 14.4
3. For answer refer to section 14.5
4. For answer refer to section 14.6
5. For answer refer to section 14.8

## CHAPTER- 15

### LEARNING ORGANIZATION

#### STRUCTURE

- 15.0 Learning objectives
- 15.1 Introduction
- 15.2 What is a learning organization?
- 15.3 Characteristics of a learning organization
- 15.4 Benefits of a learning organization
- 15.5 Concept of organizational learning
- 15.6 Pros of organizational learning
- 15.7 Cons of organizational learning
- 15.8 How managers can improve organizational learning
- 15.9 Summary
- 15.10 Glossary
- 15.11 Self-Check Questions
- 15.12 Answer To Self-Check Questions
- 15.13 Terminal questions
- 15.14 Answer to terminal questions

#### 15.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of learning organization
- Discuss the characteristics of a learning organization
- Discuss the benefits of a learning organization
- Describe the concept of organizational learning
- Discuss the pros and cons of organizational learning

#### 15.1 INTRODUCTION

In today's dynamic and ever-evolving business landscape, organizations must continuously adapt, innovate, and stay ahead of the next curve – from new digital

technologies to innovations in the market. This reality calls for a fundamental shift in how companies operate their learning and development strategy — a shift toward becoming a more agile learning organization.

In 1990, author and systems scientist Peter Senge popularized the concept of learning organizations in his book, *The Fifth Discipline: The Art & Practice of the Learning Organization*. He described these companies as “where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together.”

In this article, we’ll delve into the path toward building a learning organization to foster a culture that is continuously evolving in the age of digital transformation.

## **15.2 WHAT IS A LEARNING ORGANIZATION?**

A learning organization is an entity that fosters a culture of continuous learning and knowledge creation at all levels. It is an organizational paradigm that recognizes the importance of adapting to change, acquiring new knowledge, and leveraging insights to improve performance and achieve strategic objectives.

In a learning organization, learning is not limited to formal training programs or individual activities; it becomes an embedded aspect of the organizational culture and processes. The entire organization is engaged in acquiring, sharing, and applying knowledge, with a focus on innovation, collaboration, and the ability to respond quickly to challenges and opportunities. Learning organizations promote open communication, experimentation, and reflection, valuing the collective intelligence and learning capacity of their employees.

## **15.3 CHARACTERISTICS OF A LEARNING ORGANIZATION**

Here are the key characteristics of learning-based organizations.

### **1. Building a shared vision**

A shared vision is a vital characteristic of a learning organization that establishes a common goal and has the power to encourage innovation and creative thinking.

When a vision is created as a team, people feel that their ideas are valued and that they are working towards a common goal.

## **2. Personal mastery**

Personal mastery refers to the individual's commitment and continuous journey toward personal growth, learning, and self-improvement. It is about cultivating a mindset of lifelong learning and striving for excellence in one's chosen field or area of expertise. It involves developing self-awareness, honing skills, and fostering a deep sense of purpose and passion for continuous learning. Personal mastery is encouraged in a learning organization as it contributes to the overall collective learning and growth of the organization.

## **3. Mental models**

Mental models are deeply ingrained assumptions, generalizations, or even images that influence how we understand the world and how we take action.

These models can either facilitate or hinder learning and organizational growth. In a learning organization, there is a focus on surfacing and challenging mental models, encouraging individuals to examine their underlying assumptions and biases. By promoting reflection and open dialogue, organizations can foster a culture where mental models are continuously examined, refined, and expanded. This process allows for new perspectives, innovation, and more effective problem-solving, ultimately contributing to the organization's ability to adapt and learn in a rapidly changing environment.

## **4. Team learning**

Team learning is a collaborative process where individuals within a team come together to actively share knowledge, experiences, and insights to enhance the collective learning and performance of the entire team.

Team learning fosters a culture of collaboration where team members learn from each other, challenge assumptions, and collectively solve problems. By engaging in team learning, organizations can harness the collective intelligence and capabilities of their teams, leading to enhanced problem-solving, innovation, and overall team performance.

## **5. Systems thinking**

Systems thinking in a learning organization entails viewing the organization as a complex and interconnected system where various components, processes, and individuals interact and influence each other.

The idea is to encourage businesses to look at the broader landscape and to distinguish patterns instead of conceptualizing change as isolated events.

By applying systems thinking, a learning organization can identify systemic factors that impact learning effectiveness, address root causes of challenges, leverage interconnected elements for improvement, and foster a holistic approach to continuous learning and organizational development.

### **15.4 BENEFITS OF A LEARNING ORGANIZATION**

Here are some of the most significant benefits of a learning organization.

#### **1. More prepared, productive employees**

When employees are highly engaged and driven to accumulate knowledge about their work, their field, and their company, they not only feel well-equipped to excel in their roles, but they become more productive. Increased efficiency means more resolutions and less reliance on external consultants – reducing costs and boosting profits in the long run.

According to the 70-20-10 model, employees gain 70% of their knowledge through work experiences, so it's critical they remain engaged at their jobs.

#### **2. Increased employee engagement and motivation**

Learning organizations prioritize the personal and professional development of their employees. This commitment to continuous learning and growth fosters a sense of purpose, engagement, and motivation among employees, leading to higher levels of productivity and retention.

#### **3. Reduced employee turnover**

Learning organizations encourage employees to become more engaged, build a stronger community and empower team members to take pride in their work and place within the

company. All of these components build off one another, so more employees stay with a company longer, reducing the costs associated with employee turnover.

#### **4. Shared knowledge**

Learning organizations increase efficiency and build connections through knowledge sharing. This eliminates the need for employees to waste precious energy reinventing wheels, promotes understanding, and ensures that everybody has a clear view of what is needed for success.

#### **5. Enhanced innovation and creativity**

A learning organization encourages experimentation, risk-taking, and the exploration of new ideas. This promotes innovation and creativity throughout the organization, leading to the development of new products, services, and processes that drive competitive advantage.

#### **6. Improved problem-solving and decision-making capabilities**

Learning organizations encourage critical thinking, creativity, and collaboration, which lead to improved problem-solving and decision-making capabilities. Employees are empowered to think innovatively, explore multiple perspectives, and apply their knowledge and skills to address complex challenges.

Successful businesses can often adjust to meet a changing marketplace, and organizational learning is one method that enables this adaptation. Organizational learning provides staff at a company with the resources to assess and improve their performance. Organizational learning occurs both structurally within a company and in person-to-person interactions.

### **15.5 CONCEPT OF ORGANIZATIONAL LEARNING**

Organizational learning is the process through which a company gathers new information and shares that information with employees. Organizational learning structures include both formal and informal systems of learning, such as an employee training manual and two coworkers sharing work advice in casual conversation, respectively. Effective

organizational learning can be an integral part of maintaining a successful company, as it allows a company to develop and improve its methods as it learns new information.

## **15.6 PROS OF ORGANIZATIONAL LEARNING**

Organizational learning provides many benefits to a company. Some of the top reasons to implement organizational learning include:

- **Sharing experience**

At large organizations, it's common to have a mix of highly experienced employees and new hires. Organizing mentor relationships or allowing experienced employees to help train new hires allows the less experienced employees to develop more quickly.

- **Developing and spreading techniques**

When a company has staff members that routinely outperform their peers or their targets, it provides an excellent opportunity to implement organized learning. Asking those employees to share their techniques can improve performance across the entire staff by allowing more employees to use those same techniques.

- **Providing resources**

Organized learning systems can also include structures to assist staff interested in doing their own research and education, such as optional training or certification programs. By encouraging individual education, an organization improves the effectiveness of their staff's personal growth efforts, which then benefits the company as a whole.

- **Encouraging cohesive development**

When making changes within a company, it's important to implement them uniformly so that you can integrate work done in different departments. With an individualized approach to organizational learning, such as an onboarding checklist or skills tracking method for each employee, it's easier to know how each staff member is developing and how their new skills will serve the company's broader goals.

- **Adapting to changing conditions**

Updating methods to adapt to changes in the market is an essential part of remaining relevant and successful. Organizational learning structures, such as training seminars, are crucial tools for sharing these updates with all employees.

## **15.7 CONS OF ORGANIZATIONAL LEARNING**

Although organization learning is a positive tool for your business, it's important to understand some of the common drawbacks so you can work to avoid them:

- **Spreading the wrong information**

When using organizational learning systems, it's important to spread effective information. Spreading less effective knowledge, such as outdated processes, can lead to others using less effective approaches. Establishing protocols to check the accuracy of the information that employees share as part of organizational learning can minimize this risk.

- **Overly relying on institutional systems**

If a company has systems within the company to provide staff with education and learning opportunities, it may reduce staff members' interest in learning independently outside of work. By providing staff with resources to continue their independent growth and rewarding those who demonstrate continued learning, you can encourage staff to remain motivated to excel beyond your company's formal education opportunities.

- **Criticizing failure too much**

When a company has a strong system for sharing successful techniques, it may discourage some staff from trying new methods due to a fear of failure. Although this can prevent staff from pursuing unsuccessful methods, it may also reduce the opportunity to discover new and effective techniques. You can counter this effect by calling extra attention to individuals who develop innovative ideas.

- **Misallocation of resources**

A system for organized learning provides many benefits, but it requires spending money and staff hours to achieve results. If a company assigns too many resources to its organizational learning efforts, it may reach a point of diminishing returns where some of the resources could be better spent on other tasks. You might avoid this by performing regular audits assessing the data related to organizational learning.

## **15.8 HOW MANAGERS CAN IMPROVE ORGANIZATIONAL LEARNING**

If you believe your employees could benefit from implementing more structured organizational learning, you might want to consider the following tips:

### **1. Always work on learning and developing**

Change is constant in the professional world, and the most successful companies stay attentive to potential improvements to their procedures. This means that even an established company with experienced staff can still benefit from learning new approaches to daily operations.

Creating an environment that encourages continuous professional growth, both by offering organizational support and rewarding creative staff members, can help set your company up for success. Common resources for continued organizational learning include professional associations, seminars and speeches, industry journals and online research.

### **2. Create reference documents for employees**

One responsibility when fostering a learning environment is to make learning easier for employees. This includes both organized instruction and providing resources for independent use. Providing employees with reference documents on organizational learning topics is an effective way to facilitate both of these goals.

When creating a new initiative or set of protocols based on organized learning, writing an announcement that explains the new policies and the rationale for the change gives staff an easy resource to check as they get used to the new situation. Additionally, providing access to the information the company gathers, such as performance metrics or expert advice, also helps employees complete their own learning and growth.

### **3. Develop formal and informal mentor systems**

One of the best ways for less experienced employees to learn and develop their skills is under the guidance of senior staff. On-the-job experience is one of the most effective

methods of learning, and working with a more experienced mentor allows new hires to accelerate their professional development.

Mentorship can occur in two forms: formal and informal. In formal mentoring systems, management assigns less experienced staff to mentors they feel have the skills and knowledge to help the new staff members grow. This can be ideal when a manager notices a particular area for improvement in a new employee that matches an area of expertise in an experienced staff member.

An informal mentorship is one that develops without the organization's encouragement, with two staff members naturally forming a beneficial partnership. These types of pairing are still an important part of organized learning and can help a company immensely, as many employees learn best when they have strong personal bonds with their mentors.

#### **4. Use meetings and videos as tools**

Not everyone learns at their best through reading, so it's helpful to diversify the way your organization shares knowledge with employees. Staff meetings are an excellent way to share knowledge, as they allow for visual presentations. Supplementing the presentation with physical notes can further improve comprehension.

Creating videos that explain changes is another excellent way to provide staff with further resources and share company learning efforts. As with a meeting, a video provides a more dynamic presentation than a written document, with the added benefit that staff can view it at a time that works best for them or re-watch sections that need more attention. Videos are also a resource you can quickly provide to new staff so long as the topics covered remain in effect.

#### **5. Be open to feedback**

It's important to provide your employees with the opportunity to offer suggestions and feedback and to practice active listening when receiving such feedback. By developing a formal system for submitting suggestions, you'll create a work environment that encourages sharing ideas at all levels. When people feel that their opinions matter, they'll feel more fulfilled in their roles.

## 15.9 SUMMARY

Today's dynamic and ever-evolving business landscape, organizations must continuously adapt, innovate, and stay ahead of the next curve – from new digital technologies to innovations in the market. This reality calls for a fundamental shift in how companies operate their learning and development strategy — a shift toward becoming a more agile learning organization.

A learning organization is an entity that fosters a culture of continuous learning and knowledge creation at all levels. It is an organizational paradigm that recognizes the importance of adapting to change, acquiring new knowledge, and leveraging insights to improve performance and achieve strategic objectives.

## 15.10 GLOSSARY

- **Learning organisation:** A learning organization is an entity that fosters a culture of continuous learning and knowledge creation at all levels. It is an organizational paradigm that recognizes the importance of adapting to change, acquiring new knowledge, and leveraging insights to improve performance and achieve strategic objectives.

## 15.11 SELF-CHECK QUESTIONS

1. What do you mean by learning organization?
2. Discuss the characteristics of a learning organization.
3. Discuss the challenges of a learning organization.
4. Discuss the benefits of a learning organization.

## 15.12 ANSWER TO SELF-CHECK QUESTIONS

1. For answer refer to section 15.1, 15.2
2. For answer refer to section 15.3
3. For answer refer to section 15.4

### **15.13 TERMINAL QUESTIONS**

1. What do you mean by learning organization? Discuss the characteristics of a learning organization.
2. Define learning organization. Discuss the benefits of a learning organization.
3. Define organizational learning. Discuss the pros and cons of organizational learning.
4. Explain how managers can improve organizational learning.

### **15.14 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 15.1, 15.2 and 15.3
2. For answer refer to section 15.1, 15.2 and 15.4
3. For answer refer to section 15.5, 15.6 and 15.7
4. For answer refer to section 15.8

## CHAPTER-16

### PERFORMANCE MANAGEMENT

#### STRUCTURE

- 16.0 Learning objectives
- 16.1 Introduction
- 16.2 Concept of performance coaching
- 16.3 What performance coaching practice:
- 16.4 How can coaching improve performance?
- 16.5 Benefits of performance coaching
- 16.6 Performance coaching models
- 16.7 Summary
- 16.8 Glossary
- 16.9 Self-Check Questions
- 16.10 Answer To Self-Check Questions
- 16.11 Terminal questions
- 16.12 Answer to terminal questions

#### 16.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of performance coaching
- Discuss the performance coaching models
- Describe the performance coaching practices
- Discuss how can coaching improve performance

#### 16.1 INTRODUCTION

**Coaching in performance management** is a collaborative process that occurs through everyday interactions between a manager and an employee, as well as among employees. It aims to continuously stimulate employees to improve their skills, acquire new ones, and reach their full potential. **Performance coaching** in the workplace involves using various techniques to guide employees toward growth and development.

It goes beyond merely addressing performance issues; instead, it focuses on unlocking potential, engaging employees, and fostering a culture of continuous improvement. Managers play a dual role: they are both supervisors and coaches. Through day-to-day interactions and regular one-on-one sessions, they offer personalized guidance to help employees strategize for performance improvement and take control of their professional growth. Performance coaching is a great tool that helps individuals and teams achieve their professional aspirations. It doesn't just focus on fixing performance issues; it unlocks potential, engages employees, and promotes a culture of continuous improvement. Let's look at the definition and benefits of performance coaching, some coaching examples and models, and lay out steps for effective employee performance coaching.

## **16.2 CONCEPT OF PERFORMANCE COACHING**

Performance coaching in the workplace refers to the use of various techniques to continuously stimulate employees to improve their skills, gain new ones, and reach their full potential. It's a collaborative process that takes place through everyday interactions between a manager and an employee, but also between employees. The manager isn't only the supervisor, they're also a coach who continuously motivates employees to grow and learn. Employee performance coaching is a form of on-the-job learning that addresses weaknesses and cultivates strengths. Managers use day-to-day workplace situations and regular one-on-ones to understand employees and offer personalized guidance. The goal is to help employees develop strategies for performance improvement and take control of their professional growth. Coaching employees to improve performance should be an integral part of every organization's talent management strategy, making it the HR's responsibility to promote it among managers and employees. It can greatly impact employee engagement and productivity, leading to better overall business performance. The purpose of performance coaching is to help employees leave their comfort zone and reach their potential.

## **16.3 WHAT PERFORMANCE COACHING PRACTICE:**

- Executive performance coaching: This type of coaching is tailored to senior leaders to support their leadership skills development, usually facilitated by a dedicated

coach. A coach meets one-on-one with an executive and forms an environment of confidentiality and trust. They help the executive understand their competencies and strengths, as well as others' perceptions of them. Then the two work together to identify improvement areas and set goals and action steps for achieving growth. This entails challenging the leader's thought processes to show them new communication and problem-solving approaches.

- Sales performance coaching: Performance coaching for sales reps aims to boost sales effectiveness and achieve ambitious targets. Coaching sessions involve the sales employee and their manager reviewing what's working and what hasn't been successful, as well as understanding the reasons behind both. With that insight, the manager/coach and employee can come up with a specific plan for behavioral changes that will help them increase their sales numbers.
- Team coaching: Employee performance coaching can also be group-based and focus on teaching teams to collaborate effectively. Sessions will emphasize strengthening communication skills, reducing conflict, and improving working relationships. This may involve scenarios where team members must work through challenges together to achieve their objectives.

#### **16.4 HOW CAN COACHING IMPROVE PERFORMANCE?**

From an interview with one of these performance coaches, we see that their job consists of 'making sure their driver is in optimal shape to perform during the race weekend' and 'to always help if there are little aches and pains.' Bringing this into the business context, coaching for performance dedicates time to intentionally developing employees. Investing in employee growth improves their performance through different channels, such as the following:

**Immediate constructive feedback:** A coaching environment allows continual opportunities to provide constructive feedback in situations that are fresh in employees' minds. Instead of waiting for an annual performance appraisal, managers can commend employees for successes and address issues in real time for more impact.

**Skill development:** Performance coaching involves identifying improvement opportunities. Addressing these areas with training or hands-on experience helps employees develop

new skills and fresh perspectives they can use in their current roles and prepare for future ones.

**Boosting employee confidence:** The accountability that takes place during coaching builds self-awareness and keeps employees focused on their goals. During this process, they acquire new capabilities and discover what makes them tick. As employees understand themselves better and achieve their objectives, self-confidence builds.

**Greater manager support:** Because coaching consists of regular interactions between employees and their supervisors, there is more two-way communication. Supervisors get a better understanding of employees' strengths and preferences and recognize what they're doing well. When there are areas that need improvement, they can offer feedback, support, and solutions. This builds trust in the relationship. The employee knows their manager isn't just critiquing their performance but also wants them to succeed and is willing to help them get there.

## **16.5 BENEFITS OF PERFORMANCE COACHING**

Enabling employees to develop their skills and confidence has several notable benefits for organizations.

**Performance improvement:** The main goal of performance coaching is obviously to improve the work performance of employees. Just as every person is different, the way to maximize someone's potential is, too. Performance coaching enables organizations to personalize their talent management approach and get the best out of every individual. This has a positive influence on the performance levels of the organization to help it reach its business goals.

**Stronger relationships:** In addition to the bonds that form between managers and employees through coaching, over 70% of coached employees say they build better relationships with their coworkers. Robust relationships in the workplace fuel collaboration within teams and across the organization to enhance its competitiveness.

**Higher engagement levels:** When employees receive personalized performance coaching, it shows their employer cares about them and invests in their professional

development. Then they have higher morale and feel more engaged. As a result, they are motivated to improve their performance and contribute to the organization's goals.

Better retention rates: The benefit of improved performance, stronger relationships, and higher engagement levels is that employees will find more satisfaction in their work and be less likely to leave the organization.

## **16.6 PERFORMANCE COACHING MODELS**

Successful performance coaching relies on how effectively the coaching is executed. It is necessary to have a framework for managers to follow so they have the right tools to coach well and to ensure consistency across the organization.

### **1. GROW model**

The GROW model was developed in the UK by Sir John Whitmore and colleagues. It has been used in corporate settings since the late 1980s. The acronym GROW stands for **Goal, Reality, Options, and Will**. Coaches/supervisors walk employees through each stage as follows:

**Goal:** Establish a goal that inspires the employee to get somewhere. This can be a target they want to reach or a behavior they want to change.

**Reality:** Define where the employee is currently. Identify the obstacles they're facing that may factor into their struggles.

**Options:** Consider the potential options and resources that will help them move forward.

**Will:** Translate the options into action steps and set a timeline. The employee must commit to the process, including accountability check-ins.

### **2. FUEL model:**

The FUEL model comes from the book, *The Extraordinary Coach: How the Best Leaders Help Others Grow*, by John Zenger and Kathleen Stinnet. It's designed for coaching behavioral change within organizations. The acronym FUEL stands for **Frame the conversation, Understand the current state, Explore the desired state, and Lay out a success plan**.

Here is a quick explanation of these four steps:

**Frame the conversation:** The manager and employee discuss what the coaching will entail without stating any predetermined issues or goals.

**Understand the current state:** The manager asks open-ended questions to get the employee's perspective, challenge both parties' assumptions, and help the employee gain awareness of where they are currently.

**Explore the desired state:** Both parties work together to craft a vision of success and mutually agree on how to achieve the goal.

**Lay out a success plan:** The final step is to formulate a detailed action plan for getting to the desired state.

### **3. CIGAR model**

The CIGAR coaching model has been attributed to Suzy Green and Anthony Grant. It has been used in a variety of settings, including business. The acronym CIGAR stands for **Current reality, Ideal, Gaps, Action, and Review**. The following five steps of this model involve recognizing and remedying the gaps between present and desired circumstances:

**Current reality:** The manager gets to know the employee to discover what's going on beneath the surface. Questions at this stage may include, "What are your passions?" "What motivates you?" "What are your strengths?"

**Ideal:** The manager encourages the employee to visualize their desired outcome and asks questions such as, "What would you be doing differently?" "What would change in your life if you achieved your goals?"

**Gaps:** The employee identifies the gaps and obstacles that stand between their current reality and their desired outcome.

**Action:** The two parties work together to create an action plan for the steps, resources, and timeline it will take to bridge the gaps.

**Review:** The manager and employee meet regularly to assess progress and discuss any potential adjustments to the plan.

## 16.7 SUMMARY

Performance coaching in the workplace involves using various techniques to guide employees toward growth and development. It goes beyond merely addressing performance issues; instead, it focuses on unlocking potential, engaging employees, and fostering a culture of continuous improvement. Managers play a dual role: they are both supervisors and coaches. Through day-to-day interactions and regular one-on-one sessions, they offer personalized guidance to help employees strategize for performance improvement and take control of their professional growth. Performance coaching is a great tool that helps individuals and teams achieve their professional aspirations. It doesn't just focus on fixing performance issues; it unlocks potential, engages employees, and promotes a culture of continuous improvement. Let's look at the definition and benefits of performance coaching, some coaching examples and models, and lay out steps for effective employee performance coaching

## 16.8 GLOSSARY

- **Performance coaching:** Performance coaching in the workplace refers to the use of various techniques to continuously stimulate employees to improve their skills, gain new ones, and reach their full potential. It's a collaborative process that takes place through everyday interactions between a manager and an employee, but also between employees.

## 16.9 SELF-CHECK QUESTIONS

1. Define performance coaching.
2. Explain the performance coaching practices.
3. Discuss the performance coaching models.

## 16.10 ANSWER TO SELF-CHECK QUESTIONS

1. For answer refer to section 16.1,
2. For answer refer to section 16.3
3. For answer refer to section 16.6

### **16.11 TERMINAL QUESTIONS**

1. Define performance coaching. Discuss the performance coaching models.
2. What do you mean by performance coaching? Explain the performance coaching practices.
3. Explain how coaching can improve performance. And benefits of performance coaching.

### **16.12 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 16.1, 16.6
2. For answer refer to section 16.1, 16.3
3. For answer refer to section 16.4, 16.5

## CHAPTER-17

### MENTORING

#### STRUCTURE

- 17.0 Learning objectives
- 17.1 Introduction
- 17.2 Implementing mentoring in performance management
- 17.3 Why is mentoring important?
- 17.4 Mentoring techniques or models
- 17.5 Benefits of mentoring
- 17.6 Challenges for mentoring
- 17.7 Summary
- 17.8 Glossary
- 17.9 Self-Check Questions
- 17.10 Answer To Self-Check Questions
- 17.11 Terminal questions
- 17.12 Answer to terminal questions

#### 17.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of mentoring
- Discuss the mentoring techniques or models
- Discuss the benefits and challenges of mentoring

#### 17.1 INTRODUCTION

Mentoring is a reciprocal and collaborative at-will relationship that most often occurs between a senior and junior employee for the purpose of the mentee's growth, learning, and career development. Often the mentor and mentee are internal to an organization, and there is an emphasis on organizational goals, culture, career goals, advice on professional development, and work-life balance. Effective mentors often act as role models and sounding boards for their mentee and provide guidance to help them reach

their goals. Mentoring can be formal or informal. In an informal environment, mentees set goals, but they are usually not measurable and the relationships are unstructured. For a formal mentoring relationship, there are actionable and measurable goals defined and set with determined requirements.

Mentoring is not coaching and not counseling. Mentoring relationships are based upon advice giving and direction while coaching is not. Counseling is a paid-relationship in which underlying mental or psychological issues are addressed with solutions given by a medical professional. Mentoring in performance management is a process that involves providing individualized guidance and feedback to employees to help them improve their skills, competencies, and performance. Mentoring can also support employees' career development and leadership potential.

#### **17.2 IMPLEMENTING MENTORING IN PERFORMANCE MANAGEMENT ARE:**

- Define the purpose, objectives, and outcomes of the mentoring program and communicate them clearly to the mentors and mentees.
- Select and match the mentors and mentees based on their skills, interests, and compatibility.
- Provide training and support to the mentors and mentees on how to establish and maintain an effective mentoring relationship.
- Monitor and evaluate the mentoring program regularly and make adjustments as needed to ensure its quality and effectiveness.

#### **17.3 WHY IS MENTORING IMPORTANT?**

A good mentor can help the mentee become more effective at work, learn new skills, develop greater confidence, and make better decisions for their overall career growth. Mentors report many benefits as well, including satisfaction from seeing others develop; expanded generational and cultural perspectives; strengthening of technical, leadership, and interpersonal skills; and continuing to experience new ideas and insights.

#### **17.4 MENTORING TECHNIQUES OR MODELS**

- **One-on-One Mentoring:** This type of mentoring is the most traditional of all the types of mentoring. Only the mentor and mentee are involved in this type of mentoring, and it is usually a more-experienced individual paired with a less-experienced or much younger mentee.
- **Group Mentoring:** In this model, one or several mentors work with a group of mentees. Schools and youth programs often apply this model because there may not be enough time or resources to have one mentor for each participant.
- **Peer Mentoring:** Participants in this model are from the same role or department or have shared or similar experiences, whether in their professional or personal lives. These peers pair up to offer support for each other. This can be a group or a one-on-one mentoring relationship.
- **Distance or E-Mentoring:** With such advanced technology, the mentorship relationship no longer has to be face-to-face. Using online software or even email, participants in this type of mentoring can connect virtually without losing the personal touch.
- **Reverse Mentoring:** This mentoring relationship is flipped from the traditional model. Instead of a senior professional mentoring a more junior employee, the junior employee mentors a more senior professional. This relationship is usually for the younger or more junior professional to teach the skills or a new application or technology to the more senior one.
- **Speed Mentoring:** This type of mentoring is a play on speed dating and usually occurs as part of a corporate event or conference. The mentee has a series of one-on-one conversations with a set of different mentors and usually moves from one mentor to the next after a brief meeting. The mentee should come prepared with questions for advice from the senior level professionals.

## 17.5 BENEFITS OF MENTORING

The role of a mentor is to encourage the personal and professional development of a mentee through the sharing of knowledge, expertise and experience. The mentoring relationship is built on mutual trust, respect and communication, and involves both parties meeting regularly to exchange ideas, discuss progress and set goals for further

development. Here are some of the primary benefits of offering business mentoring within your company:

**Benefits for mentees:** Being mentored is one of the most valuable and effective development opportunities you can offer employees. Having the guidance, encouragement and support of a trusted and experienced mentor can provide a mentee with a broad range of personal and professional benefits, which ultimately lead to improved performance in the workplace.

For mentees, some key benefits of business mentoring include:

- Exposure to new ideas and ways of thinking
- Advice on developing strengths and overcoming weaknesses
- Guidance on professional development and advancement
- Increased visibility and recognition within the company
- The opportunity to develop new skills and knowledge

**Benefits for mentors:** Mentoring is more than the transfer of advice, knowledge and insights. The relationship offers reciprocal benefits for mentors willing to invest their time in developing another professional. As well as the personal satisfaction of sharing their skills and experience with a willing learner, being involved in mentoring also provides some tangible benefits that can reward mentors professionally.

Some key benefits for mentors include:

- Recognition as a subject matter expert and leader
- Exposure to fresh perspectives, ideas and approaches
- Extension of their professional development record
- Opportunity to reflect on their own goals and practices
- Development of their personal leadership and coaching styles

**Benefits for the company:** For employers, investing in business mentoring is a useful and cost-effective way to develop your top emerging talent and keep your most knowledgeable and experienced performers engaged and energised. As well as the transferral of critical business knowledge and skills, mentoring helps to develop a pipeline of future leaders who understand the skills and attitudes required to succeed within the company.

For employers, investing in mentoring helps to:

- Develop a culture of personal and professional growth
- Share desired company behaviours and attitudes
- Enhance leadership and coaching skills in managers
- Improve staff morale, performance and motivation
- Engage, retain and develop performers

## 17.6 CHALLENGES FOR MENTORING

- **Getting a relevant match:** Finding a mentor or mentee who shares similar goals, interests, and expectations can be difficult. A mismatch can lead to frustration and dissatisfaction for both parties.
- **Knowing what to discuss:** Sometimes, mentors and mentees may struggle to find topics to talk about, especially in the beginning. This can affect the rapport and trust between them.
- **Understanding where to start and end:** Mentoring is a dynamic and evolving process that requires clear objectives and milestones. Without a proper structure and guidance, mentoring can become aimless and ineffective.
- **Managing time and commitment:** Both mentors and mentees need to dedicate time and effort to make the mentoring relationship work. However, they may face competing priorities, busy schedules, and unforeseen circumstances that can disrupt their plans.

- **Communicating effectively:** Communication is the key to any successful mentoring relationship. However, communication styles, preferences, and barriers may vary among mentors and mentees. This can lead to misunderstandings, conflicts, or missed opportunities.

## **17.7 SUMMARY**

Mentoring is not coaching and not counseling. Mentoring relationships are based upon advice giving and direction while coaching is not. Counseling is a paid-relationship in which underlying mental or psychological issues are addressed with solutions given by a medical professional. Mentoring in performance management is a process that involves providing individualized guidance and feedback to employees to help them improve their skills, competencies, and performance. Mentoring can also support employees' career development and leadership potential

## **17.8 GLOSSARY**

- **Mentoring:** It is a reciprocal and collaborative at-will relationship that most often occurs between a senior and junior employee for the purpose of the mentee's growth, learning, and career development.

## **17.9 SELF-CHECK QUESTIONS**

1. Define mentoring.
2. Explain how implementing mentoring in performance management.
3. Discuss the techniques or models of mentoring.

## **17.10 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 17.1
2. For answer refer to section 17.2
3. For answer refer to section 17.4

## **17.11 TERMINAL QUESTIONS**

1. Define mentoring. Explain how implementing mentoring in performance management.
2. Discuss the techniques or models of mentoring.
3. Discuss the benefits and challenges of mentoring.

#### **17.12 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 17.1, 17.2
2. For answer refer to section 17.4
3. For answer refer to section 17.5, 17.6

## CHAPTER-18

### PERFORMANCE MANAGEMENT

#### STRUCTURE

- 18.0 Learning objectives
- 18.1 Introduction
- 18.2 What is performance
- 18.3 Concept of performance management
- 18.4 Characteristics of performance management
- 18.5 Objectives of performance management
- 18.6 Principles of performance management
- 18.7 Challenges to performance management
- 18.8 Summary
- 18.9 Glossary
- 18.10 Self-Check Questions
- 18.11 Answer To Self-Check Questions
- 18.12 Terminal questions
- 18.13 Answer to Terminal Questions

#### 18.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of performance management
- Discuss the objectives of performance management
- Discuss the principles of performance management
- Describe the characteristics of performance management

#### 18.1 INTRODUCTION

Performance management is a system designed to identify the ways to achieve organizational goals through constant assessment and feedback leading to improvement of employee performance. Unlike the performance appraisal process, performance management is an ongoing assessment of employees in a manner geared to match their

goals to the organizational goals and it also makes strong use of goal-setting and metrics to identify progress and areas of individual strengths.

The basic goal of performance management is to promote and improve employee effectiveness in every perspective. The power of any organization is increasingly linked to its intellectual capital rather than its physical assets because the people in organizations are now the drivers of corporate performance and competitiveness. Therefore, it deals with improving organizational performance by improving employee performance and essentially, the cost of competitiveness involves efficiency and productivity.

## **18.2 WHAT IS PERFORMANCE?**

“Performance is behavior and should be distinguished from the outcomes because they can be contaminated by systems factors”.

## **18.3 CONCEPT OF PERFORMANCE MANAGEMENT**

Performance management is a continuous process where managers and employees work together to plan, monitor and review an employee’s work objectives or goals and his or her overall contribution to the organization. Unlike the performance appraisal process, performance management is an ongoing assessment of employees in a manner geared to match their goals to the organizational goals and it also makes strong use of goal-setting and metrics to identify progress and areas of individual strengths.

The concept of performance management may be categorized into two types:

- The first one deals with the performance of an organization as a whole and evaluates the effectiveness of its managers whereas;
- The second one deals with the system of evaluating employees in order to enable them to achieve reasonable goals and thus ensure that the organization performs better.

It is pertinent here to understand what performance is as Brumbrach (1988) defines ‘performance’ both as behaviour and results. The behaviour emanates from the performer and transforms performance from abstraction to action. The behaviours are also

outcomes in their own right- the products of mental and physical effort applied to the task and can be judged apart from the results. In the organizational context, performance means successful formulation and implementation of a value-creating strategy that either generates or sustains its competitiveness.

The performance management helps organizations in managing consistent performance in a manner which holds employees and managers accountable for supporting its objectives and strategy, successfully fulfilling assigned job responsibilities, and accomplishing individual performance goals, this would require the following prerequisites:

- The business processes are as simple as possible
- The lines of leadership and management are clear
- The employees are empowered, which is an important driver of innovation
- A distinct organizational culture
- The workplace interactions are based on honesty, integrity, and trust
- An openness to change

#### **18.4 CHARACTERISTICS OF PERFORMANCE MANAGEMENT**

The key characteristics of performance management can be understood by following points which are given below:

- Important organizational tool in order to clarify performance objectives, standards, critical dimensions, and competencies required to enhance individual performance.
- Works best in the situation when an employee's work is planned properly and goals for achievement are communicated to them very clearly.
- Emphasizes the development of capability and capacity of employees to perform consistently.
- It is a 'systematic' and 'holistic' approach to identify critical dimensions of performance so that organizational objectives can be achieved.

- Performance management helps in integrating the whole process with other critical organizational systems including leadership development, succession planning, and talent management efforts.
- Performance management is a multidimensional concept and includes inputs, processes, outputs and outcomes.
- It transforms organizational objectives and strategy into a measurable action plan by getting the right information, people, time, format for the accomplishment of organizational objectives.

## **18.5 OBJECTIVES OF PERFORMANCE MANAGEMENT**

The major objectives of performance management are mentioned below:

- The main objective is to enable the employees towards the achievement of superior standards of work performance.
- To help the employees in identifying the knowledge and skills required for performing the job efficiently.
- Because after identifying KSA required, this would drive their focus towards performing the right task in the right way.
- To boost the performance of the employees by encouraging employee empowerment, motivation and implementation of an effective reward mechanism in an organization.
- To promote a two-way system of communication between the supervisors and the employees in the organization for clarifying expectations about the roles, accountabilities, communicating, feedback for improving employee performance and continuous coaching.
- To identify the barriers to effective performance in an organization and resolving those barriers through constant monitoring, coaching and development of interventions.
- To create a basis for several administrative decisions viz., strategic planning, succession planning, promotions and performance-based payment.
- To promote personal growth and advancement in the career of the employees by helping them in acquiring the desired knowledge and skills.

## **18.6 PRINCIPLES OF PERFORMANCE MANAGEMENT**

Some of the major principles of performance management are as follows:

- Performance management is considered as a process, not as an event because it follows good management practice in which continual coaching, feedback and communication are integral to success.
- It is primarily used as a communication tool to ensure mutual understanding of work responsibilities, priorities and performance expectations among both the partners in the organization.
- The elements for discussion and evaluation should be job specific – not generalized personality traits and the major duties and responsibilities of the specific job should be defined and communicated as the first step in the process.
- The performance standards for each major duty/responsibility should be defined very clearly and communicated for fulfilling the expectation.
- Employee involvement is encouraged at every level in identifying major duties and defining performance standards.
- The purpose is to establish a history such that evaluations are fair and meaningful.
- The documentation of the performance management process is necessary as often as needed to record the continuum of dialogue between supervisor and employee.
- If an organization includes formal rating, they should reflect the incumbent's actual performance in relation to the performance standard for accomplishing the objectives.
- The evaluation of supervisor is a must on the successful administration of the plan and ongoing performance management responsibilities.

## **18.7 CHALLENGES TO PERFORMANCE MANAGEMENT**

Some of the key challenges to performance management are as follows:

- It is concerned with the output (the results achieved), outcomes, processes required for reaching the results and also the inputs (knowledge, skills and attitudes).
- It is also concerned with measurement of results and review of progress in the achievement of set targets.

- It dealt with defining business plans in advance for shaping a successful future.
- It is striving for continuous improvement and continuous development by creating a learning culture and an open system.
- It deals with establishing a culture of trust and mutual understanding that fosters free flow of communication at all levels in matters such as clarification of expectations and sharing of information on the core values of an organization which binds the team together.
- It involves procedural fairness and transparency in the process of decision making.

## 18.8 Summary

Performance management is a system designed to identify the ways to achieve organizational goals through constant assessment and feedback leading to improvement of employee performance. Performance management is a continuous process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his or her overall contribution to the organization. Unlike the performance appraisal process, performance management is an ongoing assessment of employees in a manner geared to match their goals to the organizational goals and it also makes strong use of goal-setting and metrics to identify progress and areas of individual strengths.

## 18.9 GLOSSARY

- **Performance management:** It is a system designed to identify the ways to achieve organizational goals through constant assessment and feedback leading to improvement of employee performance. Unlike the performance appraisal process, performance management is an ongoing assessment of employees in a manner geared to match their goals to the organizational goals and it also makes strong use of goal-setting and metrics to identify progress and areas of individual strengths.
- **Performance:** It is behavior and should be distinguished from the outcomes because they can be contaminated by systems factors

### **18.10 SELF-CHECK QUESTIONS**

1. Define performance management.
2. Discuss the objectives of performance management.
3. Explain the principles of performance management.

### **18.11 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 18.1
2. For answer refer to section 18.5
3. For answer refer to section 18.6

### **18.12 TERMINAL QUESTIONS**

1. Define performance management. Discuss the objectives of performance management.
2. Explain the principles of performance management.
3. What do you mean by performance management? Explain the characteristics of performance management.

### **18.13 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 18.1, 18.5
2. For answer refer to section 18.6
3. For answer refer to section 18.1, 18.4

## CHAPTER-19

### VIRTUAL HRD

#### STRUCTURE

- 19.0 Learning Objectives
- 19.1 Introduction
- 19.2 Characteristic of virtual human resource development
- 19.3 Objectives of virtual human resource development
- 19.4 Benefits of virtual human resource development
- 19.5 Challenges of human resource development
- 19.6 Summary
- 19.7 Glossary
- 19.8 Self-Check Questions
- 19.9 Answer To Self-Check Questions
- 19.10 Terminal questions
- 19.11 Answer to terminal questions

#### 19.0 LEARNING OBJECTIVES

**After studying the lesson, you should be able to:-**

- Describe the concept of virtual human resource development
- Discuss the characteristics and objectives of virtual human resource development
- Discuss the benefits and challenges of virtual human resource development

#### 19.1 INTRODUCTION

Virtual human resource development (VHRD) is a field of study and practice that explores how technology can be used to enhance the learning and performance of individuals, groups, and organizations. VHRD encompasses various aspects of human resource development (HRD), such as training, education, career development, organizational development, and change management, but with a focus on the use of technologically integrative environments, such as virtual reality, online platforms, social media, and

mobile devices. Virtual HRD is a term that refers to the use of digital technologies and tools to enhance the human resource development (HRD) function in organizations. HRD is the process of improving the knowledge, skills, and abilities of employees and aligning them with the organizational goals and strategies. Digital HRD can help HRD practitioners and leaders to design, deliver, and evaluate learning and development interventions more effectively and efficiently, as well as to leverage data and analytics to measure and improve the impact of HRD on individual and organizational performance. Digital HRD is not a one-time project or a one-size-fits-all solution. It is a continuous and dynamic process that requires constant learning, innovation, and adaptation. By embracing digital HRD, organizations can enhance their human capital and competitive advantage in the digital age.

## **19.2 CHARACTERSTIC OF VIRTUAL HUMAN RESOURCE DEVELOPMENT**

Virtual human resource development (VHRD) is an approach that leverages digital technologies to enhance the expertise, performance, innovation, and community building of human resources in organizations. Here are 10 characteristics of VHRD:

- VHRD is media-rich and culturally relevant, using various forms of digital media such as text, audio, video, graphics, and animations to deliver learning content and facilitate communication.
- VHRD is learner-centered and self-directed, allowing learners to access learning resources anytime, anywhere, and at their own pace.
- VHRD is collaborative and social, enabling learners to interact with peers, mentors, experts, and instructors through online platforms such as forums, chats, blogs, wikis, and social networks.
- VHRD is adaptive and personalized, providing learners with customized learning paths, feedback, and support based on their preferences, needs, goals, and performance.
- VHRD is integrative and holistic, linking learning to work and life contexts, and fostering the development of cognitive, affective, and behavioral competencies.

- VHRD is innovative and creative, encouraging learners to generate new ideas, solutions, and products through problem-based, project-based, and design-based learning approaches.
- VHRD is strategic and aligned, ensuring that learning objectives, outcomes, and assessments are consistent with the organizational vision, mission, values, and goals.
- VHRD is evaluative and reflective, measuring the effectiveness and impact of learning interventions, and promoting continuous improvement and learning transfer.
- VHRD is ethical and responsible, adhering to the principles of academic integrity, intellectual property, data privacy, and social justice in the design and delivery of learning.
- VHRD is dynamic and evolving, responding to the changing needs and expectations of learners, organizations, and society in the digital era.

### **19.3 OBJECTIVES OF VIRTUAL HUMAN RESOURCE DEVELOPMENT**

Virtual human resource development (VHRD) is an approach that aims to enhance the competencies and performance of employees and organizations through the use of various technologies, such as virtual reality (VR) and augmented reality (AR). Some of the objectives of VHRD are:

- To provide a comprehensive framework for the development of human resources in the organization.
- To create a climate for employees to discover, develop and use their capabilities for the organization.
- To increase the capabilities of an organization to attract, retain and motivate talented employees.
- To facilitate systematic information on human resources for manpower planning, career planning, succession planning, etc.
- To offer training that is relevant, engaging and effective for the present and future needs of the employees.

- To conduct performance and potential appraisal of the employees for determining their developmental requirements and providing feedback and counselling.
- To reinforce a reward system that fosters a culture of excellence and collaboration.
- To implement organizational development interventions that improve the climate and productivity of the organization.
- To develop knowledge resources that support the learning and innovation of the employees and the organization.
- To apply VR and AR in various HRD functions, such as recruitment, orientation, socialization, learning, performance management, etc.

#### **19.4 BENEFITS OF VIRTUAL HUMAN RESOURCE DEVELOPMENT**

Virtual human resource development (VHRD) is an approach that leverages technology to enhance the learning and performance of employees in organizations. VHRD can offer various benefits, such as:

- **Cost efficiency:** VHRD can reduce the expenses associated with traditional HR models, such as travel, accommodation, venue, and materials.
- **Increased flexibility:** VHRD can provide more options for employees to access training and development programs at their own pace, time, and location.
- **Improved employee engagement:** VHRD can foster a sense of belonging, support, and recognition among employees by offering interactive and personalized services that cater to their needs and preferences.
- **Enhanced data management:** VHRD can enable better collection, analysis, and reporting of data related to employee learning and performance, which can help HR professionals make informed decisions and improve outcomes.
- **Higher quality of learning:** VHRD can deliver more effective and engaging learning experiences by using immersive technologies, such as virtual reality (VR) and augmented reality (AR) that simulate real-world scenarios and provide feedback and guidance.

- **Greater scalability:** VHRD can reach a larger and more diverse audience of employees across different locations, cultures, and backgrounds, without compromising the quality and consistency of the learning content.
- **Improved compliance:** VHRD can ensure that employees are aware of and adhere to the relevant laws, regulations, and policies that govern their work, by providing regular and updated training and assessment.
- **Increased innovation:** VHRD can foster a culture of creativity and experimentation among employees, by exposing them to new ideas, perspectives, and technologies, and encouraging them to collaborate and share their knowledge.
- **Enhanced competitiveness:** VHRD can help organizations gain an edge over their rivals, by equipping their employees with the latest skills, knowledge, and competencies that are required in the dynamic and complex business environment.
- **Better alignment:** VHRD can align the learning and development goals of the employees with the strategic objectives of the organization, by providing clear and relevant content that supports the vision, mission, and values of the organization.

## 19.5 CHALLENGES OF HUMAN RESOURCE DEVELOPMENT

Virtual human resource development (VHRD) is an approach that leverages technology to facilitate learning, socialization, and performance improvement in organizations. VHRD can offer many benefits, such as increased access, flexibility, collaboration, and cost-effectiveness. However, VHRD also faces some challenges that need to be addressed by researchers and practitioners. Here are the challenges of VHRD:

- **Communication:** Effective communication is essential for any team, but especially for virtual teams that rely on technology-mediated interactions. Communication challenges in VHRD include overcoming barriers of time, distance, and culture; ensuring clarity, feedback, and trust; and choosing the appropriate communication tools and channels.
- **Engagement:** Engagement refers to the degree of involvement, interest, and commitment that learners and employees have in their work and learning activities.

Engagement challenges in VHRD include maintaining motivation, attention, and satisfaction; creating a sense of presence and community; and designing engaging and interactive learning experiences.

- **Evaluation:** Evaluation is the process of assessing the effectiveness and impact of VHRD interventions on individual, team, and organizational outcomes. Evaluation challenges in VHRD include defining and measuring relevant indicators; collecting and analyzing data from multiple sources and levels; and demonstrating the return on investment and value of VHRD.
- **Ethics:** Ethics is the branch of philosophy that deals with the principles of right and wrong conduct. Ethics challenges in VHRD include ensuring the privacy, security, and confidentiality of data and information; respecting the rights and responsibilities of learners and employees; and adhering to the ethical standards and codes of conduct of the profession.
- **Technology:** Technology is the application of scientific knowledge and tools to solve practical problems. Technology challenges in VHRD include selecting, integrating, and updating the appropriate technology platforms and tools; ensuring the reliability, accessibility, and usability of technology; and managing the technical issues and glitches that may arise.
- **Innovation:** Innovation is the process of creating and implementing new or improved products, services, processes, or methods. Innovation challenges in VHRD include fostering a culture of creativity and experimentation; encouraging risk-taking and learning from failures; and keeping up with the emerging trends and developments in the field.
- **Diversity:** Diversity is the recognition and appreciation of the differences and similarities among people in terms of various dimensions, such as culture, gender, age, ability, and personality. Diversity challenges in VHRD include promoting inclusion and equity; managing conflicts and misunderstandings; and leveraging the diverse perspectives and experiences of learners and employees.
- **Leadership:** Leadership is the process of influencing and guiding others to achieve a common goal. Leadership challenges in VHRD include establishing a

clear vision and direction; building trust and rapport; and empowering and supporting learners and employees.

- **Collaboration:** Collaboration is the process of working together with others to achieve a common goal. Collaboration challenges in VHRD include coordinating and synchronizing tasks and activities; sharing and managing information and resources; and developing and maintaining positive and productive relationships.
- **Change:** Change is the process of transitioning from the current state to a desired future state. Change challenges in VHRD include anticipating and responding to the changing needs and expectations of learners, employees, and stakeholders; overcoming the resistance and barriers to change; and facilitating the adoption and diffusion of VHRD innovations.

## **19.6 DIFFERENCE BETWEEN VHRD AND TRADITIONAL HRD**

Virtual human resource development (VHRD) is an approach to human resource development (HRD) that leverages technology to facilitate learning, performance, and change in organizations and individuals. Traditional HRD, on the other hand, relies more on face-to-face interactions, formal training programs, and standardized methods.

Some of the main differences between VHRD and traditional HRD are:

- VHRD is more flexible, adaptive, and responsive to the changing needs and preferences of learners and organizations, while traditional HRD is more rigid, prescriptive, and standardized.
- VHRD enables more collaboration, communication, and knowledge sharing across geographical, temporal, and cultural boundaries, while traditional HRD is more limited by physical and social constraints.
- VHRD supports more personalized, self-directed, and experiential learning, while traditional HRD emphasizes more structured, instructor-led, and content-based learning.
- VHRD leverages various technologies, such as virtual reality, artificial intelligence, and social media, to create immersive, interactive, and engaging learning

environments, while traditional HRD relies more on conventional tools, such as textbooks, lectures, and workshops.

## **19.7 SUMMARY**

Virtual human resource development (VHRD) is a field of study and practice that explores how technology can be used to enhance the learning and performance of individuals, groups, and organizations. VHRD encompasses various aspects of human resource development (HRD), such as training, education, career development, organizational development, and change management, but with a focus on the use of technologically integrative environments, such as virtual reality, online platforms, social media, and mobile devices. Increasing the accessibility, flexibility, and diversity of learning opportunities. Reducing the costs, time, and environmental impact of travel and physical facilities. Enabling collaboration and communication across geographical and cultural boundaries. Supporting innovation, creativity, and problem-solving skills. Enhancing the visibility and value of human capital to worldwide stakeholders. However, VHRD also poses some challenges and limitations, such as: Requiring technical skills, infrastructure, and support. Creating potential issues of privacy, security, and ethics. Demanding high levels of self-regulation, motivation, and engagement from learners. Increasing the complexity and uncertainty of the learning environment. Necessitating the alignment of VHRD strategies with organizational goals and culture. Therefore, VHRD requires a holistic and systemic approach that considers the needs, preferences, and characteristics of the learners, the design and delivery of the learning interventions, the evaluation and improvement of the learning outcomes, and the integration and alignment of the learning processes with the organizational context. VHRD is an emerging and evolving field that responds to the changing demands and opportunities of the digital age. As technology advances and disrupts the world of work and learning, VHRD can play a vital role in helping organizations and individuals adapt, transform, and thrive in the new era. VHRD can also contribute to the social and environmental sustainability of the global community by promoting green computing, social justice, and global citizenship.

## **19.8 GLOSSARY**

- **Virtual HRD:** It is a term that refers to the use of digital technologies and tools to enhance the human resource development (HRD) function in organizations. HRD is the process of improving the knowledge, skills, and abilities of employees and aligning them with the organizational goals and strategies.

## **19.9 SELF-CHECK QUESTIONS**

1. Define virtual human resource development.
2. Explain its characteristics and objectives.

## **19.10 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 19.1
2. For answer refer to section 19.2, 19.3

## **19.11 TERMINAL QUESTIONS**

1. Define virtual human resource development. Explain its characteristics and objectives.
2. Explain the benefits and challenges of virtual human resource development.

## **19.12 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 19.1, 19.2 and 19.3
2. For answer refer to section 19.4, 19.5

## CHAPTER -20

### WORKFORCE DIVERSITY

#### STRUCTURE

- 20.0 Learning objectives
- 20.1 Introduction
- 20.2 Managing workforce diversity
- 20.3 Why is workplace diversity important?
- 20.4 Some examples of diversity in the workplace
- 20.5 Types of workforce diversity
- 20.6 Advantages of a diverse workforce
- 20.7 How does workforce diversity impact a business?
- 20.8 How do you create diversity in the workplace?
- 20.9 Summary
- 20.10 Glossary
- 20.11 Self-Check Questions
- 20.12 Answer To Self-Check Questions
- 20.13 Terminal questions
- 20.14 Answer to Terminal Questions

#### 20.0 LEARNING OBJECTIVES

After studying the lesson, you should be able to:-

- Discuss the managing workforce diversity.
- Describe the why workplace diversity is important.
- Discuss the advantages of workforce diversity.
- Describe the types of workforce diversity.
- Describe how you create diversity in the workplace.

#### 20.1 INTRODUCTION

A **diverse workforce** simply means a company has built a **diversified workforce** that includes many different types of people. Diversity in the workplace can mean people of

different ethnicities, sexual orientations, socioeconomic statuses, ages, genders, religions and other ways in which humans innately differ. It can also simply mean people who have different personalities and will approach situations differently. For example, include both introverts and extroverts. It is important for people to understand the **workforce diversity meaning** so that, ideally, an organization will build a workforce consisting of all of the above. It is also important to match its strategy for having **diverse employees** by implementing diversity and inclusion with its overall organizational goals and values.

Workplace Diversity refers to the inclusion of personnel from diverse backgrounds such as different races, cultures, religions, sexes, ages, and sexual orientations. It also includes personnel with physical and mental disabilities as they should not be discriminated against under any circumstances. Workplace diversity aims to eradicate any biased treatment of individuals based on any external factor apart from their work. It helps create a workplace culture of motivated and engaged staff, who would love to continue working in their safe workplace for longer, thereby improving employee retention rate.

## **20.2 MANAGING WORKFORCE DIVERSITY**

Diversity management is a procedure made to generate and maintain a healthy and positive work atmosphere in offices where sameness and differences are valued in the organization. The meaning of diversity management has greatly been emphasized on its impact on diversity variations, requirements, expectations, and several other critical issues. The word diversity itself entails several meanings which are along the lines of different religion, race, beliefs, status, gender, age, political beliefs, ethnicity, and other ideologies. Workforce diversity is a term that means exploring these dissimilarities in an open, safe, and nurturing environment.

Diversity management in the workplace is created to make sure that every employee is treated equally so that they can all be their best self and happily contribute their part to the organization's growth and strength. Managing workplace diversity can present a lot of challenges and hardships for HR managers. Having said that, these challenges can be resolved if a company makes a serious effort to encourage a more heterogeneous work-

atmosphere by encouraging a culture of tolerance, creating strategies to resolve conflicts, and promoting open communication. There are certain tips that can be followed to maintain a proper workforce diversity, such as;

- **Encourage Open Communication**

To manage a diverse workforce, companies need to ensure that their employees don't hesitate to tell what's on their mind. Safety rules, procedures, policies, and other crucial information should be drafted in a way to overcome cultural and language barriers by using pictures and symbols and translating materials wherever applicable.

- **Treat Every Employee Equally**

It is very essential to treat every employee as an individual. Never assume anything about an employee just because he/she is from a different background. Look at every employee and judge them solely on the basis of their merits and demerits rather than judging them from their background.

- **Encourage Diversity Amongst Employees**

Create a team or group where employees are from different cultural diversities, this way they can get to know about each other and start to see each other's sides. If you put employees with similar backgrounds in one team, they will never learn how to adjust.

- **Open-Mindedness**

Companies should encourage the employees to realize and understand that any employee should not be judged on the basis of their background, age, etc. but rather on the value that they add to the organization.

- **Hiring**

To improve workforce diversity, it is essential to peruse and recruit talents from various backgrounds. Since the HR managers are responsible for short-listing the candidates, it is very important that they should not be bias and short-list candidates based on their talents and skills. If an organization is successful in breaking the bias in the recruiting process, it will have a healthy workforce diversity.

## **20.3 WHY IS WORKPLACE DIVERSITY IMPORTANT?**

Workforce diversity is something that has become very essential nowadays and hence most companies are trying to achieve it. While an organization's reputation and workforce inclusion are definitely paramount goals worth pursuing, workforce diversity has many other tangible and immediate benefits connected directly to the organization's bottom-line. Hence, diversity and inclusion in the workplace are not just a necessity, but also a major competitive advantage. Organizations with a diverse workplace outperform their competitors and achieve great success. Workforce diversity is important for many reasons, some of them are;

### **1. Different Perspectives**

Diversity and inclusion in the workplace give room for different perspectives. As diversity in the workforce means that employees will mostly have different backgrounds and characteristics, they are likely to have different experiences and skills. Ergo, employees in an organization with more workforce diversity will have insights into various perspectives, which is highly profitable when it comes to strategizing and implementing various business strategies.

### **2. Faster Problem Solving**

When it comes to benefits of workforce diversity, faster problem-solving is one of the most important ones. Employees with different diversity, have different views and experiences, thus they can contribute diverse solutions to any problem. Having a variety of solutions to a problem helps in resolving it faster.

### **3. Increased Profits**

Organizations with a diverse workforce achieve tremendous profits. It helps in making the best decisions quickly, which gives them an enormous advantage over their competitors. Consequently, companies with diverse workplace reap better profits.

### **4. Reduced Retention**

Workforce diversity is very paramount when it comes to retaining employees. Organizations with diversity in the workplace are more open to different perspectives and thoughts. This makes the employees feel valued and heard, which in turn makes them

loyal towards the organization and their work. If an employee is happy with the way he/she is being treated in the company, they will surely stick with the company for the long haul, thus lowering the turnover.

## **20.4 SOME EXAMPLES OF DIVERSITY IN THE WORKPLACE**

The number of factors that define diversity in the workplace is numerous. Throughout an employee's life, their different background, colour, genetic predispositions, and gender truly change their experience as a person. Thus, when it comes to diversity in the workplace, the examples are many, some of them are;

### **Physical abilities and disabilities**

Hiring an employee with any kind of physical disability or experience will not only help your company to create a more diverse environment but also bring unique perspectives and ideas to the table that will help your company in reaching a wider market of clients and customers.

### **Mental health**

Employee health is a priority in the HR department, but usually, mental health is left out in these structures. Without the resources and support to understand and help the employee's needs, there is a high chance that organizations may see an increase in employee absenteeism. To resolve this stigma, nowadays more and more companies are including mental health in their employee benefits program.

### **Cultural background**

There are various factors that entail different cultures, including native language, traditional food, customs, and religion. While many people take interest in knowing more about other cultures but are an entirely different scenario to work with colleagues who hail from different cultures on a daily basis. Cultural differences can bring both, learning about other cultures as well as barriers and challenges amongst employees who are uncomfortable with their co-workers' culture. Thus, it's very important for employers to bring diversity in the workplace to educate the employees about cultural differences and make them appreciate and celebrate them.

## **20.5 TYPES OF WORKFORCE DIVERSITY**

There are many things that come into play in a diverse environment, some of these differences can be seen from outside, while some are invisible and just the way a person was born. These prime differences are the grounds on which the four different types of workforce diversity was created, which are as follows;

### **1. Internal Diversity**

Internal diversity traits are something that can't be changed as a person is born into it. These are the characteristics that an individual did not choose for themselves and can't be changed by anyone. Some examples of internal diversity are sexual orientation, religion, mental and physical ability, nationality, ethnicity, age, etc.

### **2. External Diversity**

In the terms of workforce diversity, the word external is used to relate to characteristics that an individual wasn't born with. It is usually an influential kind that people pick up from their surroundings. Since a person is not born with it, this diversity can certainly be changed if a person wants to. Examples of this type of workforce diversity are education, personal interests, appearance, relationship or familial status, religious or political beliefs, citizenship, etc.

### **3. Organizational Diversity**

Also known as functional diversity, it refers to the dissimilarities between individuals that are assigned to them by their companies- substantially these are the attributes within an office that distinguishes every employee. Regardless of what your job role is or what you get paid, any kind of work that you do connects you to your company. The different subsets of this include seniority, pay time, management status, place of work, etc.

### **4. Worldview Diversity**

The last type is called worldview diversity and includes internal, external, and organizational diversity altogether. Some examples are- outlook on life, moral compass, political beliefs, etc.

## **20.6 ADVANTAGES OF A DIVERSE WORKFORCE**

- **Increased Creativity**

One of the benefits of diversity in workplace is that it boosts the creativity of the employees. It is said that sameness breeds sameness. If you keep hiring heterogeneously, that is, every employee hails from similar background, culture, socio-economic situation, same perspective, etc. Then you are limiting the room for innovation and creativity. On the other hand, if you hire employees from diverse backgrounds, they will have diverse and different approaches to achieve the company's goal.

- **Increased Productivity**

There's a well-known jargon- workplace diversity not only enhances creativity but also productivity. And this is because creativity ultimately leads to productivity. The more diverse cultured employees, the more diverse brainstorming takes place.

- **Enhanced Performance**

When a company has a diverse workplace, it helps to make every employee feel included no matter who they are or where they come from. This feeling of being valued and included breaks down all the barriers between an employee and the organization and helps them to raise their voice and share their thoughts and ideas.

- **Diverse Learning Scope**

A diverse workforce is contained with employees from different backgrounds, with different skill set, talents, knack, technicality, proficiency and expertise which ultimately crates a platform of exchanged learning among the employees. A healthy knowledgeable workplace ecosystem not only enhances productivity of the company but also increases the knowledge and exposure of employees to grasp cognizance along with vivid networking. Thus, creating a diverse workforce with employees from different backgrounds enhances the knowledge of your employees and provide them a healthy working environ to perform productively.

## **20.7 HOW DOES WORKFORCE DIVERSITY IMPACT A BUSINESS?**

- **Improves Company Performance:** Improving diversity in the workplace is crucial to improving performance. People who feel respected and at ease will outperform people who are stressed and disrespected.
- **Improves Employee Engagement and Retention:** Employees who feel appreciated and empowered remain more loyal than those who are treated shabbily. A diverse and inclusive workplace delivers that.
- **Improves Public Perception of Your Brand:** If a company is public with its diversity strategy, then it will build its image among aware people. This will help it grow.
- **Promotes Creativity, New Ideas, and Perspectives:** Because of their different perspectives, different backgrounds, and cultural experiences, a diverse workforce helps keep a workplace from becoming stagnant. A stagnant workplace brings poor results. Stagnation brings about discontent. A vibrant, creative workplace with different perspectives builds camaraderie and esprit de corps.
- **Creates a Better Understanding of Target Demographics and What Drives Them:** Members of a diverse workplace understand people of similar backgrounds as they have want in both the products and services they buy and the companies from which they buy them.
- **Aligns an Organization's Culture With the Demographic Makeup of America:** When people in a diverse workplace feel as if they identify closely with their clientele, then they can use their own experiences and understanding to assess the American people's preferences accurately. The culturally diverse workplace is a cross-section of the U.S. as a whole.
- **Improves Customer Satisfaction by Improving how Employees Interact With a More Diverse Clientele:** By improving how employees interact with a more diverse clientele, customer satisfaction will improve. People of the global majority, in other words nonwhite, will appreciate a company that tailors its presentations and brand to them and respects not only themselves but also their culture and

history. A diverse workforce will know how to work with these folks to make their experience as good as possible.

## **20.8 HOW DO YOU CREATE DIVERSITY IN THE WORKPLACE?**

The first step to building a more diverse workforce is simply hiring employees from different backgrounds. Companies should not mistake tokenism for diversity. Tokenism is where they hire a single person from one group while all of their other employees are from another group. This is not only unhelpful but it comes across as shallow and likely will lead to disgruntled employees. Integrate a hiring strategy with overall business objectives. For example, hiring employees from a specific group may help the company be successful in particular business ventures, such as expanding into a new area or offering a new product. As [Forbes](#) notes, a diverse workforce can be difficult to achieve. It is important for companies to learn from their mistakes and keep trying.

Creating diversity in the workplace involves tearing down centuries of bigotry and stereotyping. Qualified people for each job could have any combination of characteristics other than a white, straight, cisgender male. Companies that are either stuck in the Dark Ages or that embrace the values and characteristics of those times must completely change their mindset as well as their culture.

They must hire only based on ability to do the job. They must cast aside nepotism, “favors for friends,” and every other thing that creates bad feelings among workers and management alike. Most of all, they have to start to put their employees first. An increasingly diverse and savvy public is not standing for Dark Ages mentality any longer. In order to embrace workplace diversity, companies should make sure that:

- **The HR team is aware of diversity hiring goals.** If these folks don’t know whom the company wants to hire, then they can’t hire the right people.
- **Diversity policies are outlined in the employee handbook.** There should be no cases of, “I didn’t know,” when it comes to workplace diversity. Each employee should know the company’s stance on diversity while reading the handbook.

- **There is a code of conduct.** Employees and management personnel alike should follow a strict code of conduct while embracing and enforcing workplace diversity.
- **There is a nondiscrimination policy.** This policy should align with federal law regarding protected groups and the prohibition against discriminating against these groups. This includes not only hiring people but also evaluating them, managing them, and promoting them within the company.
- **There is a compensation and benefits policy.** No one should receive different pay simply for being different than others. The pay and benefits outlined in the employee handbook should be equal for all people performing the same duties.
- **Employment conditions and termination are clear.** All people should be safe while at work and while performing the jobs they are assigned. They should not be fired for any reason relating to who they are. This goes back to the nepotism concept, too. No one should be let go to make room for “the boss’s nephew.”
- **Your company is an equal opportunity employer.** This ties in with the nondiscrimination policy. Every person who applies should have the same opportunities as every other person in the company, without exception.
- **There is a clearly defined zero tolerance policy.** This means also that violations of the policy are dealt with swiftly and fairly. Having a policy and not enforcing it is worse than have no policy at all.
- **Employees are aware of diversity policies and that they have an open door of communication to report any diversity issues.** Confidentiality goes along with the open door. There must be no reprisals against anyone making a good-faith report of diversity failures.
- **Employees engage in sensitivity training.** Not everyone is as aware as others regarding diversity. Education is key.
- **The company stays current with diversity laws.** Laws change. A company that keeps its eyes and ears open won’t be caught unawares.

- **There are opportunities to create team building activities based on the interests and abilities of employees.** This ties in with the concepts of camaraderie and esprit de corps. Happy employees are productive employees.
- **The company has benefits that attract more diverse employees:**
  - Floating holidays, such as Rosh Hashanah, Yom Kippur, Ramadan, the various solstices, and other holidays that are important to other religions
  - Working remotely, which can accommodate people who might have trouble getting to the office because of a disability
  - Flexible work schedules for people who study, have children in school, and other things that would interfere with the now obsolete 9-5 workday

## 20.9 SUMMARY

Diversity management in the workplace is created to make sure that every employee is treated equally so that they can all be their best self and happily contribute their part to the organization's growth and strength. Managing workplace diversity can present a lot of challenges and hardships for HR managers. Having said that, these challenges can be resolved if a company makes a serious effort to encourage a more heterogeneous work-atmosphere by encouraging a culture of tolerance, creating strategies to resolve conflicts, and promoting open communication. Workplace Diversity refers to the inclusion of personnel from diverse backgrounds such as different races, cultures, religions, sexes, ages, and sexual orientations. It also includes personnel with physical and mental disabilities as they should not be discriminated against under any circumstances. Workplace diversity aims to eradicate any biased treatment of individuals based on any external factor apart from their work. It helps create a workplace culture of motivated and engaged staff, who would love to continue working in their safe workplace for longer, thereby improving employee retention rate.

## 20.10 GLOSSARY

- **Diverse workforce:** Diverse workforce simply means a company has built a diversified workforce that includes many different types of people. Diversity in

the workplace can mean people of different ethnicities, sexual orientations, socioeconomic statuses, ages, genders, religions and other ways in which humans innately differ.

### **20.11 SELF-CHECK QUESTIONS**

1. What do you mean by workforce diversity?
2. Discuss the managing workforce diversity.
3. Explain why workplace diversity is important.

### **20.12 ANSWER TO SELF-CHECK QUESTIONS**

1. For answer refer to section 20.1
2. For answer refer to section 20.2
3. For answer refer to section 20.3

### **20.13 TERMINAL QUESTIONS**

1. What do you mean by workforce diversity? Discuss the managing workforce diversity.
2. Explain why workplace diversity is important.
3. Discuss the advantages and types of workforce diversity.
4. Explain how you create diversity in the workplace.

### **20.14 ANSWER TO TERMINAL QUESTIONS**

1. For answer refer to section 20.1, 20.2
2. For answer refer to section 20.3
3. For answer refer to section 20.6, 20.5
4. For answer refer to section 20.7

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