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CHAPTER III

A HISTORICAL REVIEW OR H R D

3.1. INTRODUCTION

Human resource development is relatively a new concept which began gaining recognition from the mid nineteen eighties. Earlier the management of human resources used to be known as personnel management. Although the study of human resource development or personnel management as a discipline is only recent phenomenon, the concept has its origin dating back many centuries in different ways e.g. "The minimum wage rate" and "incentive wage plans" were included in the Babylonian code of Hammurabi around 1800 B.C. The Chinese had originated the principle of "division of labour" as early as 1650 B.C. and had understood the implications of labour turnover in 400 B.C. In India, Kautilya observed that a sound base existed for systematic management of human resources as far back as in the fourth century B.C.

3.2 THE GROWTH OF HRD

On the basis of a time factor it narrated as below

A) ERA OF INDUSTRIAL REVOLUTION

Modern concept of human resource development evolved from a number of significant inter-related development dating back to the beginnings of, Industrial, Revolution. Due to industrial revolution mass production of goods became possible and the place of work changed from house to a central place of work where people worked under a common roof called factory, work through machines became easy and
less arduous, but it reduced opportunities of employment for unskilled labour. A new class of workers—the professional employees emerged, skilled workers, they exercised tremendous power in the affairs of the company. The new industrial era brought materialism, discipline, boredom, job displacement, impersonality, interdependence and related behaviour phenomena. These benefits of the era have, however, far outweighed the costs of rapid industrialisation.

B) ERA OF TRADE UNIONISM

After the beginning of the factory system, shortly groups of employees began getting together to discuss their common problems. Economic problems including the question of employees benefit and services became the major concern. Workers joined together to improve their lot and made their presence felt when they used methods such as strikes, walkouts, picketing, sabotage and slowdowns to get the attention of the management towards their problems. Thus the era of Trade Unionism saw the union of workers towards common goals.

C) ERA OF SOCIAL RESPONSIBILITY FEELING

In the past, employers were not sympathetic toward their workmen. Robert Owen, in the year 1913, was the first person to adopt somewhere paternalistic attitude towards his employees. He regarded workers as children who should be cautiously guided, trained and protected. He advised manufacturers to give as much attention to their workmen as they did to their machines, since by doing so profits would be maximized. Adam Smith and Charles Babbage supported his ideas. Charles Babbage opined that hard work and high
productivity were sources of good wages for the worker and high benefits for the employer. He announced unionization of workers.

D) THE SCIENTIFIC MANAGEMENT ERA

This era began in 1900, reached its peak in 1930, and then dwindled in its importance, though it is still used to a smaller extent in the present times. Its originator was Fredrick W. Taylor (1956 - 1955) who is known as the Father of Scientific Management. He started his experiments in the steel industry in the medieval and Bethelam plants in 1885. He developed the four great principles of management, viz. Development of a true science of each job, A scientific selection of the right person for the job, Training a person to perform a job in a scientific manner and Friendly cooperation between the management and employees.

Though his ideas were all the rage at one time, the approach began losing popularity after about 30 years. It was discovered that many of the management problems are a result of human and not mechanical factors. Taylor's approach eliminated unnecessary movements at work and gave more importance to the technique than to the workers. Fragmentation meant that each worker did a small job encouraging a mechanistic conception of men at work, ultimately leading to a situation which resulted in loss of production due to dissatisfaction in workers.

Among those who modified Taylor's view were Henry Gantt and Frank and Lilian Gilberth. Frank Gilberth made extensive use of motion pictures of task performance to analyze body movements. From these, he formulated "Laws of Efficient
Motion. Lilian Gilbsarth, his wife worked closely with him and is credited with the publication of "Psychology of Management" (1914) the first book relating to the application of psychology to the principles of management.

E) INDUSTRIAL PSYCHOLOGICAL ERA

During this period, psychologists were introduced to the field of industrial management to systematically study personnel problems. Hugo Musterberg, author of "Psychology and Industrial Efficiency" published in 1913, is regarded as the Father of Industrial Psychology. His contribution is notable regarding analysis of jobs in terms of mental and emotional requirements and development of testing devices for the same. The most famous experiment of this era was the series conducted at the Hawthorne worker of the Western Electric company in Chicago during the late 1920's and early 1930's by Elton Mayo, F. Roethlisberger and W.J. Dickson of the Harvard Graduate School of Business Administration. As a result of this experiment, employee productivity began to be analysed in such behavioral terms as teams, work, participation, cohesiveness, loyalty and esprit de corps of engineering alternative.

F) THE BEHAVIORAL ERA

This movement began around 1955 and its major impact lasted about 10 to 15 years. The behavioral sciences include anthropology, economics, history, psychology, medicine and psychiatry, sociology, mathematical biology, social psychology and psychology. Abram Maslow propounded a theory in 1954 regarding an individual hierarchy of needs.
According to him the needs were at five different scales and the lowest needs were necessary to be satisfied for even developing the higher needs. Herzberg advanced a Two Factor theory of motivation. Douglas McGregor formulated two contrasting kinds of management views viz. Theory X which stands for the set of traditional beliefs generally held and Theory Y which is concerned with a different understanding of the man at work. This approach along with later minor modifications led to the development of sound management practices such as two way communication, management by objectives, management developments etc.

6) PERSONNEL SPECIALIST AND WELFARE ERA

With the increase in size of an organisation and subsequent increase in personnel, a separate, full time manager had to be appointed for their recruitment, selection and placement. With further increase in the number of employees, a separate executive had to be assigned to the job to deal with wages, appraisals, job discipline and career development. Later his job was extended to include welfare activities. Subsequently, personnel related management gained importance with the emphasis now being on human resource management. Thus, personnel management grew to add more responsibilities to the area and now has come to be known as human resource development.

3.3 H R D IN INDIA

Kautilya provides a systematic treatment of the management of human resources as early as 4th century BC in his treatise titled 'Artha Shastra'. He provides an
excellent discussion on staffing and personnel job
discretions, qualifications for jobs, selection procedure,
executive development, incentive systems, and performance
evaluation.

In medieval India, trade and commerce was revived.
Several 'Khar kans' were established at Agra, Delhi, Lahore,
Ahmedabad and various other places. However, the
productivity of workers was very low due to low wages, harsh
climate and poor health. The period of British rule was
marked by subhuman living conditions for workers, especially
in plantation areas. This continued till the Factories Act
of 1881 was passed, which regularised working hours, wages,
off days, etc. Between 1939 - 40 and 1944 - 45 the number of
registered trade unions increased. There was a large scale
expansion of the trade union movement after the second world
war and after Independence. The development of Human
Resource management in India is quite different from the
development of it in western countries. In U.K. & U.S.A. it
was developed voluntarily by the efforts of the employees
whereas in India its development was not voluntary. It was
by circumstances & not by the will of the employers.
Government took various measures after world war II &
mainly after independence passed several legislation to
improve industrial relations in Indian Industries. Thus
human resource development in India owes its origin to legal
compulsions. Prior to recommendations of the royal
commission in Labour in 1931, the area concerning management
of people in an organisation was either part of financial
management necessary appendage to the operations of a
business. Thus human resource development has a short history in India of about five decades. Within this span, the profession has passed through three distinct phases, called legal phase, human relation phase, and development phase.

A) Legal Phase

The Royal Commission on Labour, in 1931, suggested the appointment of labour officers to deal with workers and settle their grievances. Later on the factories act of 1948 and the rules framed under it laid down the appointment, duties and qualifications of a welfare officer. The emphasis during this period was mainly on the welfare aspect of the job apart from working as a jobber or an employing agent. Many welfare officers were mainly concerned with the working area, the observance of factory rules, and sometimes acted as arbitrators in labour disputes. In view of legal compulsions and enumeration of duties, the entire approach of organisation was to comply with the law and keep the welfare officers busy with routine functions. During this period the personnel profession grew up as an independent function of an organisation. An understanding of the personnel job, therefore, started growing in the industry along the availability of modern tools in dealing with the human aspex of the organisation.

B) Human Relations Phase

In 1950’s personnel officers in charge of the entire amut of industrial relations in the field of personnel management started appearing in large numbers in different organisations. Since compliance with the law alone did not
ensure harmony and cordiality, which were positive values in an organisation, the realisation of the existence of such gaps resulted in enlargement of the functions of the welfare welfare officer to encompass proper and comprehensive designations of all personnel executives. During this phase, the human relations movement of the west with its concepts of need based motivation and Theory X and Theory Y, also had an impact on Indian organisations. The realisation that a more participative approach was needed started gaining acceptance. The tension which grew along with the development of industrial relations in India during this phase resulted in a further realisation in large organisations for recognising personnel management as a major function in an industry. This also led to its acceptance as not merely being a maintenance function but also having a development role.

C) Development Phase

During the late 1960's and onward the personnel manager concentrated on development and planning. The personnel function began unfolding itself into a new phase which was concerned not only with industrial relations and day-to-day affairs, but also with an increasing number of developmental functions of human resources. This gained more acceptance in the late 1980's and at present is widely recognized as human resource development. In the 1980's the Indian government has instituted Human Resource Development ministry.

Now there are much possibilities of fast development of human resources development because industrial development
The reasons for the growth of human resource development in our country are as below.

A) Technical Factors i) Industrial revolution which introduced many revolutionary changes in the methods and techniques of industrial production. ii) New experience and researches in other social sciences such as psychology, behavioral science etc. iii) Uses of science in Industry.

B) Awakening among workers due to i) Post world war II effects and concentration of power in the hands of owners. ii) Political movement and success of Russian revolution. Emergence of international labour organisation.

C) Cultural and social changes i.e. i) Spread of education ii) Change in social value of labour.

D) Govt. Attitude : i) Protection policies ii) Change in the concept of labour from commodity concept to human concept.

E) Increased size of business developed the principles of division of labour and specialisation.

F) Problems of co-ordination and control over workers.

The potential for the development of HRD is utilised, which need greater attention because human resource is sub process in the global management process. The future of HRD is bright.