

SKILL DEVELOPMENT : KEY TO ECONOMIC PROSPERITY – HUMAN RESOURCE MANAGEMENT

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Abstract : Skills and knowledge are the driving forces of economic growth and social development for any country. Countries with higher and better levels of skill adjust more effectively to the challenges and opportunities of the growing world.

India has a vast population of the working age group. This large demographic dividend needs to be harnessed and suitably honed, to get the full potential of this population and make them employable. The effects of this employability range from connecting the bottom line of an organization, which gives it the required competitive advantage.

In this research paper light is thrown on the issues related to International Trends in HRM, Management of Intellectual Capital, Employee Retention and Human Resource Development. The growth of any country relies mainly on the skills the working population of that country.

Key words: HRM – Human Resource Management, HRD – Human Resource Development, Employee Retention.

INTRODUCTION

HRM (Human Resource Management) is a key area that needs focus in the key to economic prosperity. It is responsible for attracting, recruiting, selecting, training, assessment and compensation of employees while ensuring compliance with employment and labour laws. Skills need to be developed so that the employability quotient of the organization/country rises. It is imperative that Indian companies follow the current trends in HRM to be able to gain competitive advantage.

(USCPrice - USC-University of Southern California).

4.HRM – Human Resource Management

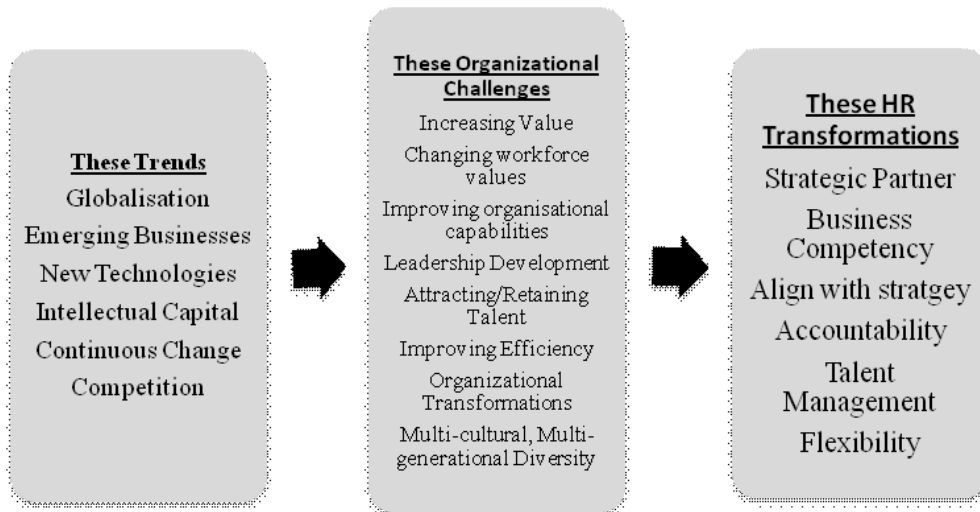
4.1 International Trends in HRM

Organizations have become more global in markets and operations, and will experience higher levels of risk and uncertainty. Now managers across the globe are required to handle people from different cultures, and to develop human resource management (HRM) policies and practices that are appropriate for their specific region.

The issues cropping up in the current scenario in HR include high attrition rates, poaching strategies by competitors, lack of effective training, thereby leading to grave shortage of skilled resources. The disruptive nature of globalization will increase the need for organizations to be more flexible and agile. Though Indian companies are ahead in following similar international trends, it is not enough. There needs to be better manpower management in line with global requirements to push more HR specific strategies. Suitable actions need to be taken to/in areas of:

- Retain existing current staff
- Succession Planning

- Ensuring a Supportive Workplace
- Developing Open Communication Networks
- Handle Resources with Geographical Disparities
- Tune Training as per Dynamic Environment



Adapted from Dattner and Rothenberg “The Future of Human Resources 2003”

4.2 Management of Intellectual Capital

The successful running of any organization depends on its intellectual assets or Intellectual Capital. This comprises of a firm’s knowledge base, experience, expertise, and associated soft assets. It refers to the intangible capital (i.e. other than financial capital) owned by companies .

The Intellectual Capital Management process involves:

Analyzing existing enterprise knowledge, updating it and recording it as far as possible and making it shareable within the enterprise in order to better fulfill the business plans. This becomes the enterprise’s ‘structural capital’

Creating the climate in which knowledge workers can best perform

Identifying possible sources of revenue that could be extracted from existing structural capital and developing marketing plans for them;

? Optimizing the value creation, extraction and release cycles for new and existing initiatives and

? Assessing risks involved in protecting the enterprise’s intellectual assets (or structural capital) and using an effective intellectual property strategy to minimize business risk.

Organizations in India are realizing that the management of the Intellectual Capital is its major competitive advantage. Often the Intellectual Capital is scattered across a plethora of devices across departments and on external links. It is imperative that all such data is kept under one roof. A firm should leverage intellectual capital, connecting communities of knowledge workers with similar interests and tasks. Comprehensive knowledge repositories need to be built and updated periodically for India to remain competitive in the global market.

4.3 Employee Retention

What is one of the biggest reasons people quit their jobs? "One of the major reasons is being dissatisfied with their supervisor," says Linda Argote, a professor of organizational behavior at Carnegie Mellon and editor-in-chief of Organization Science. And in the cramped confines of a small business, that relationship can create even more of a strain. "In bigger companies there are more opportunities to move to other jobs if

you're dissatisfied with a particular supervisor but like the firm, whereas smaller companies may have less options so they run the risk of losing the employee," Argote adds.

Issues relating to employees do not stop at hiring. Employee retention is an important activity. High employee turnover costs a huge deal to any organization. There is wastage of time and loss of productivity.

While the IT industry has been instrumental in putting India on the global map, there are issues related to employee attrition that most Indian companies are still grappling with. Under the light of this, the areas where India Inc. needs to work on in relation to Employee Retention are:

- ▲ Keep the employee satisfied - Offer a competitive benefits package, including health and life insurance and a retirement plan. Even if you resolve to be more attuned to employee likes and dislikes, it can be difficult to ascertain what drives your employees especially when their motives differ from your own.
- ▲ Motivation is not enough - Provide employees financial incentives such as stock options, bonus and raises. Bonuses, vacation days, office parties, and many of the tools in a business owner's arsenal revolve around rewarding employees for a job well done and motivating them to produce similarly stunning results in the future. But Murphy says that leaders who dole out these types of perks are only focusing on half of the picture.
- ▲ Distinguishing Candidates - There are "two issues generally going on with employees at any given time: there are 'shoves,' things that demotivate people, and then there are 'tugs,' the things that motivate you, that tug at you to stay at the organization," he says. Leaders often make the mistake of focusing on the motivators without adequately considering what rubs people the wrong way.
- ▲ Keeping in touch - One reason CEOs of small businesses must remain vigilant against high turnover is that it impacts them more than their counterparts at larger companies. Argote notes that, "smaller companies are hurt by employee departures more [than larger companies] usually because a lot of their knowledge hasn't been formalized or embedded in processes and routines." But where small businesses fall down when it comes to institutional memory, they have a distinct advantage of giving employees greater access to the boss. Murphy recommends holding monthly check-ins with every employee to see what is motivating them and demotivating them. This can give a CEO foresight into potential morale problems much sooner than he or she would ordinarily catch them. "Instead of getting two weeks notice when somebody is quitting, if you're doing these conversations regularly, you should get a minimum of four months notice if you've got a real problem with an employee, and that's just light-years better," he says.
- ▲ Leave some room for error - Whenever you task an employee with a project, you want them to succeed right? Murphy poses the counterintuitive suggestion that if you only give assignments where success is assured, you're hurting yourself in the long run. If your employee is "not going to have to learn anything, probably the assignment you gave wasn't robust enough," he says. Pushing people out of their comfort zones and allowing them to develop new skills is also a key strategy for retaining your best employees. No job is too simple or mundane for a boss to give employees room to innovate. While employees might be suspicious at first if they've never been presented with such decision making power before, they will often not just adapt to, but thrive in, an environment that gives them additional control.

4.4 Human Resource Development (HRD)

Human Resource Development (HRD) is the frameworks 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 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.

Organizations have many opportunities for human resources or employee development, both within and outside of the workplace.

Skill Development means developing oneself along with the skill sets to add value for the organization and for one's own career development. Fostering an attitude of appreciation for lifelong learning is the key to workplace success. Continuously learning and developing one's skills requires identifying the skills needed for mobility, and then successfully seeking out trainings or on-the-job opportunities for developing those skills.

Skill development is an important area in human resource development. It is relevant skills that

make a person resourceful to an organization.

Various steps in skill development towards effective HRD are:

- ▲ Primary skill development – Train the persons in the basic area of skill that he/she has been recruited for.
- ▲ Skill Upgradation – Train the existing employees with higher skills so that productivity of an organization can increase.
- ▲ Assessment and certification systems for trained personnel
- ▲ Trainer training programs for institutionalized arrangements
- ▲ Mentoring and tutoring arrangements for primary work force
- ▲ Monitoring and evaluation of output

As India is in the path to globalization, the finding alongside does reveal that investment in education and training is the main key to progress from one level of economic development to another. It conveys the message that societies, which do not gear themselves from now to learning, will find it difficult to progress beyond their present level of economic and social development. Even the relatively rich economies seeking to capture some of the key industries of the next century, will need to create the conditions and environment necessary for creativity and innovation essential for moving into and being competitive in the knowledge-based industries which will provide the highest value-added for economies.

5.Reference

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